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INQUIRY INTO
"PERSONNEL WASTAGE RATES IN
THE AUSTRALIAN DEFENCE FORCE"

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PREFACE

1. This paper is the second submission by the Department of Defence and Australian Defence Force to the Joint Committee on Foreign Affairs, Defence and Trade on separation rates in the Australian Defence Force.
2. The first submission provided tables of statistics and associated graphs for the last 10 years which described separation rates for the ADF as a whole and the three Services. The analysis then considered major groupings of personnel: Officers and Other Ranks, Males and Females, Cadets and Trainees, Pension Eligible and Pension Ineligible. The contribution to separation statistics of Reservists leaving Full-Time Duty and personnel on temporary leave was also included. The analysis was based on the reported Defence Force Employment Statistics and information provided by the Service Offices.
3. This second submission addresses the effects of the present levels of wastage on the capability of the ADF to fulfil its role in an effective manner, considers measures that may reduce this wastage (when such measures are warranted or desirable) and assesses the relative effectiveness of those proposed measures.

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INTRODUCTION

1. The first Defence submission provided a statistical and graphical breakdown of the overall separation statistics. It provided an essential backdrop to any subsequent discussion on the factors influencing separation rates and of the steps which Defence has and is taking to address particular problem areas.
2. While the primary focus of the debate is on the question of separations it should be noted that the ADF generally is experiencing little difficulty in recruiting the required number of young Australians. In some categories there are considerable numbers of qualified applicants awaiting the availability of vacancies. In some limited but important areas there is a shortfall in our capacity to recruit sufficient numbers of qualified people. However, in the main these are in categories which have presented difficulties for some years, both in the ADF and the community at large.
3. The average lengths of service for Male Officers and Other Ranks across the Services as of 30 June 1987 were above the long term average, and the average experience levels of males in the ADF have been rising slowly. Nevertheless, the recent increase in separations has, in the short term, created specific pockets of lower experience levels within the ADF. This reflects the reality that there is a loss of experience when long-term serving officers separate.
4. Before turning to the effects of the present level of separations and what corrective measures are necessary, it is worth recalling the main points made in the first submission. The statistics provided showed that in 1986-87 965 more members 'separated' from the ADF than the average for the last 10 years. This increase needs to be seen against the total strength of the ADF of some 70,000 and the 10 year average separation of some 8,000. The overall magnitude of this increase is not large, particularly when it is recognised that almost half of the increased separations are attributed to demographic changes in the composition of the ADF, ie increased employment of trainees, women and Reservists (see Fig 1).

FIG 1

**TOTAL ADF SEPARATIONS: VARIATIONS IN SEPARATIONS
BETWEEN 1986-87 AND THE TEN YEAR AVERAGE**

Category	1986-87 Separations	10 Year Average Separations	Numerical Variation	% Variation	As a % of Overall 1986-87 Separation Increase
Total ADF Separations	8919	7954.1	+ 964.9	+ 12.1	+ 100.0
Female Separations	1185	953.9	+ 231.1	+ 24.2	+ 24.0
Male Separations	7734	7000.2	+ 733.8	+ 10.5	+ 76.0
• Cadets/ Trainees	1067	944.5	+ 122.5	+ 13.0	+ 12.7
• Involuntary/ Temporary (Includes O/Rs Reservists)	1188	1417.6	-229.6	-16.2	-23.8
• Reservists FTD	123	41.7	+ 81.3	+ 195.0	+ 8.4
• Pension Eligible	1726	1490.5	+ 235.5	+ 15.8	+ 24.4
• Pension Ineligible	3630	3105.9	+ 524.1	+ 16.9	+ 54.3

5. Historically, overall separation rates of the ADF have varied from year to year. For example, over the last 10 years the ADF separation rate has fluctuated between a low of 1.8% (1982-83) below the 10 year average of 11.2% to a high of 1.6% above (1986-87). Fluctuations within particular employment categories in individual Services have sometimes varied to a greater extent than this. The Services have been managing the constant fluctuations in the separations of their members by varying recruitment intakes and initial training workloads, and by positive and timely reallocations of tasks and people.

6. Some interest has been shown in the issue of a 'desirable' ADF separation rate. The ADF comprises three Arms, each with its own specific role, objectives and capabilities. Further, within each Service there are many specialist employment categories, each with its own requirement for particular knowledge, skills, training and experience. These produce differing separation rates which vary in response to influences inside and outside the ADF. Accordingly, the concept of a single 'desirable' separation rate for each Service, let alone the ADF, is an unrealistic one. As this submission has already indicated, the changing demographic composition of the ADF itself can have an impact on the calculation of an overall separation rate, irrespective of whether separation rates for individual categories are themselves changing. It is considered that the idea of a definitive 'desirable' or 'ideal' ADF separation rate is too simplistic and of little value to detailed Service manpower planning. Nevertheless, it has to be recognised that a healthy rate of separations from the ADF is important for its continued vitality.

7. In examining separation rates of individual components of the ADF, the change in separations of Males who leave before qualifying for a pension is particularly relevant. This category is perhaps the best barometer of the 'health' of the ADF as reflected in decisions to remain in military employment or to leave for civilian employment. In examining the probable influences on such increasing separations the first submission illustrated the strong correlation between the state of the economy and the community job market and ADF separations. Clearly the ADF is not immune from these influences. Similarly ADF members and their families are just as affected by general societal changes, eg growth of two-income families, changing career aspirations for spouses, increased concern over dependants' education as long term unemployment rates have risen.

8. The picture provided in the first submission was of a noticeable, but not excessive, increase in overall separations of personnel, partly influenced by general changes in the Australian social and economic environment as well as demographic changes within the ADF.

9. This submission provides a brief sketch of the strategic basis from which Defence capabilities are derived and an outline of the resource decision process for Defence. Details are then provided of the impact of increased separations on the ADF and each Service. The submission then outlines recent and proposed initiatives designed to encourage improved retention in the ADF.

STRATEGIC BASIS

10. The Government's policy of defence self-reliance was set out in the 1987 White Paper. It requires a force-in-being able to defeat any credible challenge to our sovereignty mounted from within our own region, and specific capabilities designed to respond effectively to such attacks. The current assessments of the nature, scale and timing of possible conflicts require that the ADF should be capable of countering low level and escalated low level conflicts essentially from the force-in-being, as these could arise over shorter time-scales. The ADF also needs to be able to expand to meet higher levels of threat, were our strategic circumstances to deteriorate over the longer term.

11. High priority is given to naval and air forces capable of preventing an adversary from conducting substantial operations against us, especially in our Northern maritime approaches. Mobile ground forces would be needed to take offensive action against such forces as the adversary may land, and to protect bases from which maritime forces were operating and other areas of military and civil infrastructure. The forces required to deal with such military threats, that could arise in the shorter term, need to be maintained in a state of readiness. Not all units need to be at an equally high state of readiness, rather, they need to be able to become effective, deploy and sustain operations in an appropriate timescale.

RESOURCE DECISION MAKING

12. In the planning to provide the ADF with the capabilities to meet the Government's Defence policies, the Defence Organisation must bring together the correct balance of military and civilian manpower, equipment, facilities and supplies. The manpower is then trained and exercised to reach and maintain a level of performance consistent with the capabilities required by Government.

13. The process of determining the best balance between the different resource components is based on a five year forward projection of Defence needs. The resultant Five Year Defence Program (FYDP) is reviewed at least annually and the first year of any FYDP becomes the basis of Defence's budget submission to Government (the Defence Draft Estimates).

14. The development of the FYDP within Defence culminates in its consideration by the Defence Force Development Committee (DFDC) which comprises the Secretary to the Department of Defence, the Chief of the Defence Force, and the Chiefs of the three Services. The DFDC considers a proposed FYDP developed through a process of consultation and debate across and within Headquarters ADF, the Services and the Department. It is done within overall Planning Guidance provided by Government which comprises an indication of the total level of funds which should be used for forward planning purposes, as well as general and specific policy priorities. At each stage in this annual process all elements of Defence articulate their respective cases for a share of the available resources.

15. The Government, in approving the annual Defence budget, makes decisions on priorities based on its assessment of the strategic situation and the totality of demands for available resources. Given the annual Budget decisions of Government, it is then up to the Chief of the Defence Force and the Secretary, under Ministerial control, to manage the resources provided in the pursuit of the Government's objectives.

EFFECTS OF SEPARATIONS ON CAPABILITY

ADF

16. The increased number of separations experienced in 1986-87 are not all permanent losses from the Trained Force of the ADF (eg members taking Leave Without Pay). Others are of personnel who have completed a military career of at least 20 year's service. In addition, the greater opportunities available to women have, given their higher propensity to separate, inflated the separation figures. Consequently the statistic on which attention should be focused is the increase in Male Pension Ineligible separations. In 1986-87 these were 524 more than the average for the last 10 years, comprising 48 Officers and 476 Other Ranks (see Fig 2).

FIG 2
MALE PENSION INELIGIBLE: VARIATION IN SEPARATIONS
BETWEEN 1986-87 AND THE TEN YEAR AVERAGE

	1986-87 Separations	10 Year Average Separations	Officer Variations	Other Ranks Variations	Total Variations
Navy	738	732.0	-1.3	+ 7.3	+ 6.0
Army	2000	1702.8	+ 28.6	+ 268.6	+ 297.2
Air Force	892	671.1	+ 21.2	+ 199.7	+ 220.9
Total	3630	3105.9	+ 48.5	+ 475.6	+ 524.1

17. Fig 2 above shows that numerically the overall impact of increased Male Pension Ineligible separations is not significant when viewed against the 63,000 strong Trained Force component of the ADF. As mentioned earlier the ADF comprises many categories, each of which has a distinct separation rate. The slightly higher overall separation rate has not been equally distributed across the ADF, some employment categories and ranks within employment categories have been influenced differently. Thus, while there has been no immediate degradation of the overall capability of the ADF, there are potential problem areas generated by a shortage of trained personnel in particular areas.

Navy

18. Separations for Navy as a whole have remained reasonably constant over the last three years and for 1986-87 the rate was 12.6%. There are, however, certain groups within Navy (eg middle ranking officers) which are experiencing increasing separations. While the rate of sailor separations has decreased slightly, that of officers has increased in 1986-87 to 10.5% compared with a 10 year average of 9.1%.

19. The Male Officer separation rate for 1986-87 was 9.8% compared with the 10 year average of 8.7%. Virtually all of this increase is attributed to an increase in post 20 year separations and increased employment (and separation) of Reservists. Separation of Navy Male Officers before the pension point has been remarkably steady over the last ten years at about 2% of Male Officer strength. In 1986-87 it was 1.96%. For female officers the total separation rate was 19.0% compared with a 10 year average of 17.4%. However, the separations of Females without pension is dropping steadily (from about 14% of Female Officer strength in 1977-78 to 4.6% last financial year).

20. Some officer specialisations are experiencing increasing separation rates—for example the engineer branches, both Weapons Electrical and Marine Engineering. Recent policy changes have created greater Australian industry participation in Defence procurement, increasing the demand for these officers in project staff (particularly those with logistics management experience). This explains, in part, the recent increase in separations which will continue as major Navy projects generate contracts placed with Australian industry for design and production. This is a growing area of concern as the increase in Australian defence industry production will be an increasing source of competition for scarce Navy project management expertise.

21. Navy is experiencing problems in retaining middle ranking officers. In 1987-88 the separation of officers is increasing across most specialisations. The separation rate analysed in terms of ranks shows that while increases are expected for the ranks of Commander and Lieutenant Commander, the separation rates of Commodores and Captains are expected to fall. Projected separation rates for these ranks for 1987-88 are shown below:

FIG 3
NAVY OFFICERS: TOTAL STRENGTHS, PROJECTED SEPARATION
RATES FOR 1987-88 (8 YRS AVE IN BRACKETS)

Rank	Total Strength	Projected Separation Rate
Commodore	33	14% (16.01%)
Captain	86	16% (10.6%)
Commander	328	20.4% (9.8%)
Lieutenant Commander	578	13.5% (8.7%)

Historically all Commodores and Captains and 97% of Commanders have been pension eligible on leaving the Navy, while 30% of Lieutenant Commanders who left in 1987-88 did so without a pension. From a total strength of 164 Seaman Branch Commanders, 30 separated in calendar year 1987.

22. Among the 30 Seaman Branch Commanders who left in calendar year 1987 five were current, or very recent, destroyer commanding officers—there are only seven such commands. Such officers are amongst the best middle ranking officers with the potential to reach very senior rank and have been given commands to prepare them for more senior appointments. Despite the fact that they have elected to leave the Service with a pension entitlement their loss is viewed by Navy as serious.

23. The separation rate for male sailors for 1986-87 was 12.5% with the 10 year average being 11.7%. For female sailors the respective rates were 18.5% and 21.0%. The rate of female separations is reducing, but with the steady increase in the population of female sailors (up from 6.3% to 9.6% in the last four years), together with their higher propensity to separate, the net effect is to keep overall sailor separations near the 10 year average. Overall, sailor separations are estimated at 12.1% in 1987-88 thus continuing the downward trend of the last two years (13.5%, 13.0%) despite the effect of increased female numbers.

24. In various sailor categories manning problems stem not so much from recent separations but from Navy's inability to replace separations sustained in previous years. This is particularly true of Electronic Technical Systems (ETS), Electronic Technical Power (ETP) and Marine Technical Propulsion (MTP) category sailors, where their ready civil employment leads to annual separations of about 15%. These categories make up about 54% of all Navy's sailor technical personnel.

25. On the other hand, the Radar Plot category is experiencing increased separation rates due to such factors as high sea/shore ratios, increased job stress and high work loads which are being identified and for which solutions are being examined.

26. The increase in specific category separations is reducing some operator and maintainer experience, and greater emphasis on unit training is required to compensate for this. The Fleet Commander is taking measures to effect more of this basic training, although this is difficult with the level of other commitments to be met. Generally, ships have achieved most annual continuation training targets, but have maintained a less than optimum level of proficiency in some areas.

Army

27. The separation rate for Army in 1986-87 was 14.6% compared to the average of the last 10 years of 12.2%. This represented 297 more Male Pension Ineligible separations in 1986-87 than on average. Male Officer separations rose from an average of 8.0% to 10.6% (an extra 29 in the Pension Ineligible category and 45 more in the Pension Eligible category), and Female Officer separations an average of 12.7% to 17.1% (an extra 11 in the Pension Ineligible category) in 1986-87. Male Other Ranks separations rose from an average of 12.5% to 14.4% (an extra 269 in the Pension Ineligible category) in 1986-87. For Female Other Ranks the corresponding figures were 19.9% and 26.9% (an extra 1 in the Pension Ineligible category).

28. The use of priority manning arrangements within Army ensures that high readiness elements are maintained at planned strength. Thus the Operational Deployment Force (ODF) based on the 3rd Brigade in Townsville, and its supporting elements, draws manpower from lower readiness units in times of increased separations and is able to meet low level contingency responsibilities even with short warning times.

29. Army experienced 421 officer separations in 1985-86 and 388 in 1986-87 (these figures are net of Cadet Separations and Reservists FTD separations). Taking account of Army officers who graduated, were laterally recruited or were commissioned from the ranks, measures adopted by Army permitted it to match its total Officer separation in 1986-87. Army believes it will be difficult to sustain this effort over any long period unless separation rates fall.

30. Increased soldier separations mostly affect units with a large number of specialist tradesmen or with a highly technical role because of the longer training time for these categories. Examples of shortfalls are in the trades of:

- (a) carpenter and joiner, which is 31 short (23% of requirement);
- (b) electronics technician at the Private and Corporal level, which is 78 short (9% of requirement);

- (c) computer operator, which is 34 short (68% of requirement);
- (d) aircraft engine fitter, which is 32 short (48% of requirement)

Army is concerned that Other Ranks personnel are being promoted too early and that some are being promoted who would not be, given normal separation rates, causing some dilution of professional skills.

Air Force

31. In 1986-87 the RAAF separation rate was 10.3% compared to the 10 year average of 9.2%. For Male officers the corresponding figures were 10.6% (an extra 21 in the Pension Ineligible category) and 8.4%. For Female officers the figures were 11.1% and 18.7%. Male Other Rank separations in 1986-87 were 9.4% (an extra 200 in the Pension Ineligible category) compared with a 10 year average of 8.0%. Female Other Rank separations in 1986-87 were 17.1% and 24.0%.

32. The pilot separation rate has been the dominant influence on the overall increase in Air Force separations experienced in 1986-87. Last year 110 pilots separated compared with the 10 year average of 57. The pilots who are leaving and causing the greatest concern are in the FLTLT-SQNLDR ranks and, particularly, Qualified Flying Instructors.

33. The long-term average loss of Air Force engineers has been 56 annually, but this year it is expected to exceed 80. The increase of 24 is small in ADF terms but highly significant to Air Force, particularly in view of the difficulty of recruiting engineers and the four year lead-time to train them at ADFA and elsewhere.

34. Increased loss in Air Force Flight Engineers are being experienced and are of concern. These experienced and highly selected personnel are drawn from the engineering musterings and are required to be very versatile. They monitor and control engine performance on multi-engine aircraft and generally assist the pilot. Against an establishment of 121, manning is currently 107 Flight Engineers. The average loss of Flight Engineers has been 15 annually, but in 1987-88 it is expected to be 27. The numbers being lost are small in absolute terms but they can have a major impact on air operations (B707, C130, P3C, Caribou, Chinook). Similar small but significant increases in separation rates are being experienced in the avionics trades.

AIR FORCE PILOTS

35. The separation of RAAF pilots has been the principal cause of media concern in the ADF separations issue. Prima facie the 53 additional pilot separations in 1986-87 would suggest a capability shortfall. While RAAF at present has 767 qualified pilots on strength the current loss rate is having a serious effect on experience levels, personnel turnover and therefore on supervision. If this level of pilot separations was to continue without the introduction of remedial measures it would have a significant impact on the operational capability of the RAAF.

36. Although figures show that at present there are sufficient pilots to maintain flying operations at the current reduced level, recent losses have had major implications on experience levels and staff positions requiring pilot expertise. There has been a serious reduction in Air Force pilot experience across the middle ranks. As at 1 April 1988, the trained pilot workforce is undermanned by 44 WGCDRs (81/125), 51 SQNLDRs (132/183) and 27 FLTLTs (172/199). This is posing serious difficulties in maintaining required levels of supervision and training in our flying units.

37. One of the results of a high pilot separation rate is the highly disruptive effect of the loss of pilots with post-graduate qualifications such as fighter combat instructors (FCI), test pilots (TP) and QFIs. Because of the very small student-to-instructor ratio in pilot training (2:1) as student numbers increase the additional number of QFIs required increase substantially. The RAAF has trained about 24 QFIs yearly, enough to maintain the 140 QFI positions at the squadrons and training schools. Following three successive years of record separations the RAAF has moved from a position of QFI surplus to a 26 percent shortfall.

38. A further problem is that many Air Force staff positions requiring pilot skills are unmanned, or are being manned by officers from other branches with less appropriate skills. Air Force is also concerned about the reduced numbers of pilots eligible for promotion to fill the large number of vacancies created by the high separation rate.

39. Specific measures are being introduced or considered to alleviate the pilot separation problem and are set out in the following paragraphs.

40. **Flying Special Allowance.** Pending a full review of the adequacy of the existing level of Flying Allowance by the Defence Force Remuneration Tribunal the Tribunal has awarded an interim increase. Effective from 4 February 1988 an allowance of \$2,000 per annum is paid to all Air Force pilots in the ranks of Flight Lieutenant to Wing Commander. This allowance also applies to qualified personnel in Navy and Army. For those in the ranks of Flying Officer to Squadron Leader, who are employed as Qualified Flying Instructors, Fighter Combat Instructors and Test Pilots there is an additional \$1,500 per annum.

41. **Retention Bonus Scheme.** On 27 April the Minister for Defence Science and Personnel announced a major initiative to improve pilot retention. This scheme will provide a bonus of \$70,000 for those pilots who upon completing 6 year's service from graduation as a pilot agree to serve for another 6 years. Initially, the scheme will be available to all pilots under 37 years of age as at 31 May 1988. Hopefully, this will produce a significant reduction in pilot separations.

42. **Discussions with QANTAS.** Of the 110 pilot separations in 1986-87 36 were officers who joined QANTAS as pilots to continue their flying career. Of the likely 130 pilot separations for 1987-88, about 52 are expected to join QANTAS. The Minister for Defence Science and Personnel is having discussions with QANTAS aimed at creating arrangements that will minimise the consequences for the RAAF, and the ADF, arising from the current high level of pilot recruitment activity. A number of matters are still outstanding, including the greater use of QANTAS pilots in the RAAF Reserve and the timings of QANTAS training courses for ex-RAAF pilots, and therefore resignations, to match end-of-year posting cycles.

43. **Training More Pilots.** The increase in Return-Of-Service Obligation (ROSO) from six to eight years will serve eventually to raise the numbers of experienced pilots in ensuing years. While it may appear necessary in the longer term to raise training rates to match greater separations, the short term problem will not be helped by increasing training rates. Already, there are sufficient pilots in the squadrons to meet tasking needs. Instructor demands are being met by doubling output, but this increase has been necessary to replace instructors who separated, not to meet increasing training demands. Supervision has been maintained by vacating middle-ranking staff positions where vacancies are now causing concern. In short, the problem can not be solved by increasing training rates in the short term.

44. **Proposed Specialist Aircrew Scheme.** The RAAF is currently examining the creation of a specialist aircrew scheme. The scheme would enable selected members to specialise in flying duties, rather than have to accept employment on staff duties. The objectives of such a scheme are to reduce separation rates and create a pool of experienced aircrew and aircrew instructors in the RAAF who would be employed only on aircrew duties or on ground duties closely associated with flying activities.

45. **Proposed Generalist Stream Concept.** The objective of a Generalist scheme would be to provide the flexibility to fill senior management and staff positions with selected officers, irrespective of their specialist branch or category. Officers would be selected for positions on the basis of matching their experience to job requirements as well as on their performance history. One objective of this concept would be to reduce the proportion of pilot posts at senior officer level and thus reduce promotion demands on the depleted junior pilot officer pool. Some results which might follow the implementation of a Generalist stream would be to:

- a. increase promotion prospects for those categories which are presently career limited;
- b. increase job satisfaction or variety of employment;
- c. significantly alter the structure of the RAAF officer corps.

Because of the ramifications involved in this proposal, this initiative is still under study.

46. **Return of Service Obligations.** Earlier this year the Return-Of-Service Obligations (ROSO) for pilots was increased from 6 to 8 years of completed service. This measure will begin to produce an effect on separations in late 1993. The overall ROSO for all RAAF members, who are educated or trained at Service expense, has also been thoroughly reviewed. In brief, members who now proceed overseas on staff exchange or project related duties will have a ROSO applied. In addition all aircraft conversion courses will attract similar obligations.

47. **Increase in Retirement Age for Pilots.** At present pilots at the rank of Flight Lieutenant must retire at 45, Squadron Leaders at 47 and Wing Commanders at 50. The RAAF is examining the ramifications of increasing these ages to 55 for individually selected members of the General Duties Branch.

48. **Improved Air Force Personnel Management.** During the last 12 months personnel management within the RAAF has undergone a significant review. This review has concentrated on putting into place a scheme which is effective and responsive to the needs of a modern officer corps, and which provides a greater degree of open management and individual awareness of an officer's career potential and possibilities.

LENGTH OF SERVICE

49. The increase in separations experienced in 1986-87 might suggest that these have diluted the experience levels of ADF personnel. While this may be true for those specific employment categories that have experienced a significant increase in separations this is not so for the overall ADF. Annex A contains details of the length of service over recent years of Male Officers and Other Ranks for each Service. Two analyses of central tendency have been undertaken—measurement by the mean and the median. Neither shows a reduction in overall ADF experience. Indeed, there is a general increase in experience levels across the ADF.

FACTORS INFLUENCING SEPARATIONS

50. The overall rate of separations in the ADF is influenced by a whole range of factors and these may be grouped as demographic changes within the ADF, other internal ADF aspects and external elements. These include:

- (1) Creating more and better career opportunities for women in the ADF. While the retention of women is improving, their traditionally higher separation rate still remains above that for men, thus increasing the overall number of separations as more women enter the ADF.
- (2) Historical reasons such as a general build-up in the size of the ADF in the 1960s which is reflected in increased separations of pension eligible personnel in the 1980s.
- (3) The incentive provided by pension entitlements designed to produce a young, fit ADF, and to permit members to pursue a further career.
- (4) Higher recruitment and a corresponding increase in total failures while taking initial training as a trainee or officer cadet.
- (5) Relatively higher levels of job mobility are evident in the general economy and in large organisations such as the Australian Public Service. The ADF is experiencing similar tendencies with many young servicemen and women leaving after only one or two periods of engagement.
- (6) Service personnel with school age children share the general concern evident in the Australian community to maximise the educational stability of their children. Thus, they try to avoid geographical work changes.
- (7) The increasing number of two income families, arising through the career aspirations of spouses and/or economic necessity, also adds to the pressure on Service personnel to seek greater geographic stability.
- (8) Development of an indigenous Defence industry resulting in more opportunities being created for the private employment of skilled Defence personnel. This is leading to an accelerated loss of Service personnel to industry.
- (9) The Defence Force is affected by general economic conditions.

51. In addition to the above, Service surveys of former and present personnel have shown that the following perceptions influence separations:

- (1) Housing—irritation at the quality of housing, undesirable locations and slowness in repairs and maintenance.
- (2) Service personnel are not entirely satisfied with the organisation within which they work.
- (3) Poor career management.
- (4) Concern over personal effectiveness.
- (5) A perception that senior officers and the Government do not care.
- (6) A widely held view that there has been an 'erosion of conditions of service'.
- (7) The compression in senior officers' salaries.

52. The demographic factors within Defence which have influenced the recently slightly higher separation rate in the ADF were foreseen by the Services. Specifically the 'Vietnam Hump' has long been recognised as producing a downstream effect on separations in the 1980s, particularly at the 20 year plus career point. Further, the impact that the increasing career opportunities for women would have on the ADF separation rate was known prior to the introduction of equal employment opportunity provisions in the Defence Force.

53. Apart from the individual actions by each Service to increase their recruitment and initial training activities the Trained Force/Training Force concept was introduced to facilitate the adjustment of manpower planning levels to meet forecast separation increases.

54. While the focus of the inquiry is on increases in separations and the factors, often dissatisfaction, giving rise to these increases, it should not be overlooked that the great majority of Service personnel enjoy their work and have a strong sense of commitment and service to their country. The ADF has attractive features of employment, ie comradeship, development of leadership skills, development of marketable employment skills, adventure and recreational activity.

55. It is also relevant to mention that the ADF makes probably the single largest contribution to the national effort in education and trade skilling. Many members in the course of service receive apprentice training or trade training; or undergo higher education courses under a cadetship at the Defence Force Academy or through the Defence Force civil schooling scheme. Other ADF schemes provide assistance with part-time study during service, and there is also resettlement training available for those with longer service.

56. In any one year 10,000 young Australians receive pre-employment training in the ADF. This training is provided in some 300 distinct work categories which are applicable in the three Services. When these trained personnel leave the ADF they take their knowledge and skills into the wider employment market where there is a high demand, particularly for technologically based experience. Over the last decade the Australian economy has directly benefited from the injection of approximately 50,000 ADF trained personnel into the workforce. This figure excludes those who separated with a pension and cadet/trainee separations. Of the former, some 15,000 may also have joined the workforce as a trained resource. If a major Defence contingency does arise then many of these trained personnel could make available their residual military skills, if required, to augment existing forces.

MEASURES TO ENCOURAGE RETENTION

General

57. As part of the ongoing management of the Services changes in arrangements for their general administration are considered regularly in response to internal and external environmental pressures. At present the changes being actioned and considered are set out in the following paragraphs:

58. **Organisational Restructuring.** Implementation of the recommendations of the Goode report are nearly complete. This report considered a significant reorganisation of Navy Office, which will result in considerable management improvement in Navy Office and more devolution of responsibility to Naval Commands. The Baker study on ADF Command arrangements has been considered by the Chiefs of Staff Committee and, as a result, Northern Command has been created. This comprises military command of significant elements of Northern and Western Australia. There is an ongoing process of rationalisation and rearrangement of responsibilities between HQADF, the Services and the Department. The focus of this process is a more efficient Defence Organisation structure. Increased devolution of authority and responsibility is occurring. Where possible the elimination of Service positions in Canberra is taking place to supplement manning requirements in operational units.

59. **Open Ended Engagements.** Open ended engagements for Other Ranks are being introduced into Army. Navy is still considering the proposal. The benefit from this is that individuals must make a positive decision to resign from their Service. In the past indecision by individuals resulted in automatic resignations from the ADF. This inefficiency will be eliminated with the introduction of open ended engagements for Other Ranks.

60. **Reduced Posting Turbulence.** A CDF directive has been promulgated to all Services which recognises the importance of increased locational stability. The directive calls for the lengthening of postings wherever possible, to three years, and the provision of two consecutive postings in one location. This is expected to have a significant impact on ADF family stability.

61. **Open Reporting Systems.** Open Reporting systems have recently been introduced into Navy for officers and Air Force. Army has always had an open reporting system as has Navy for Other Ranks. These systems enhance communication between individual members and their Service. They provide individuals with a more realistic perspective of promotional opportunities and the direction in which their careers are progressing. Open reporting systems enhance the policy of more open personnel management in the ADF.

62. **More Responsive Career Management.** Each Service is aware of the need for a responsive career management system. Such a system not only meets Service needs but wherever possible the wishes of the individual. This includes the use of computerised data bases containing personnel preferences and other relevant personnel facts to assist in career management of individuals.

63. **Increased Officer Career Streaming.** There is now greater emphasis in all Services to stream officers into particular areas of expertise. For example a Navy Seaman Branch officer at a certain point in his career would have the opportunity to specialise, in say, project management or personnel management activities. This makes the individual officer more efficient and his career more satisfying. The Service also gains in having greater personnel continuity in the particular work disciplines.

64. **Better communication.** The need is seen to improve the communication processes within the three Services to achieve the following objectives:

- (1) Clearer understanding of roles and responsibilities at the Command and Unit level.
- (2) Improved knowledge of the value of Conditions of Service available to ADF personnel.
- (3) Improved knowledge of the processes needed to change Conditions of Services in the current wage fixing environment.

Hamilton Report

65. On 27 April 1988 the Minister for Defence Science and Personnel provided Parliament with a statement on the implementation of the Hamilton report. The report arose from a study commissioned by the Minister for Defence into the problems facing spouses and families of Service personnel. The study was undertaken by Mrs Sue Hamilton of the Office of the Status of Women over a period of 5 months. The Hamilton report broke new ground. It identified for the first time all the issues that service in the ADF creates for the spouses and families of its members. It recognised that ADF policy should pay real attention to the needs of the spouse and family, to their quality of life and to the effect on them of a member's service in the ADF. Comprehensive details of the implementation of the Hamilton Report are contained in the Ministerial Statement at Annex B. The major initiatives of the Report are outlined in the following paragraphs.

66. **Family Support.** The Australian Defence Families Information and Liaison Staff is being established to improve the quality of life of Defence families through the provision of community development services. 109 full and part-time staff are being recruited round Australia as community development officers, family liaison officers, education liaison officers and additional social workers. Given the range of services to be provided this will have a major impact in improving Defence family life.

67. **Education Allowance.** As mentioned earlier, schooling is of concern, especially with mid-level officers and senior NCOs whose children are most likely in high school. In this regard, Education Allowance is of key importance and action is in hand to seek to broaden eligibility for this allowance. Even if not all members avail themselves of Education Allowance, the fact of its availability should remove a major worry from many families.

68. **Other Allowances.** Flowing from the Hamilton Report, an Extra Tuition Allowance has recently been approved to eligible children who, in the last two years of primary or in secondary school, move due to postings or involuntary relocation. Reunion Travel has also been increased to four times a year for members of the ADF on unaccompanied postings to see their families. In addition, approval has been given for the provision of child care in some circumstances during a removal. Currently being processed are submissions for increased Disturbance Allowance, Old Location Housing Assistance and a Pet Relocation Allowance.

Conditions of Service

69. ADF members are entitled to a conditions of service package which is comparable to community standards, and which remunerates and recompenses for the unique features of Service employment. As ADF surveys have shown, dissatisfaction with conditions of service is not one of the primary reasons for separations, although it is an underlying factor in many cases.

70. The most significant change in recent years in the process of developing ADF conditions of service, has been the establishment of the Defence Force Remuneration Tribunal with power to determine pay and allowances.

71. Last year, the role of the employment authority for the ADF, for industrial purposes, was transferred to the Department of Industrial Relations, thus freeing the Department of Defence from this role and enabling it to participate in a supportive way, in the development of ADF conditions issues.

72. The following outlines some major features of ADF pay and conditions, and discusses their importance on retention of ADF personnel.

73. **Pay and Allowances.** Through the Defence Force Remuneration Tribunal, the ADF has received a flow on of all National Wage Case decisions, and under the National Wage Principles an increase of 5.9% under the anomaly principle, and a Second Tier increase of 4%.

74. A range of specialist pay-type allowances has been reviewed by the Tribunal, and in most cases, significant increases awarded. For example:

- Service allowance increased by 22%;
- Field allowance increased by 200%;
- Submarine service allowance increased by over 100%;
- Seagoing allowance increased by 102%.

75. However, reflecting the contemporary economic circumstances and the prevailing wages principles, ADF salaries at the middle management and higher levels, are suffering the compression which is common in public sector salaries.

76. The compression is no doubt influencing members in their longer term career planning, when they assess the comparatively small financial rewards for higher rank, which might be expected in an extended career. At Annex C this compression in the Public Sector is shown in two groups—one for ADF Officers and one for Australian Public Servants.

77. Until relief is offered from the present tight constraints on public sector salaries, it might be expected that the ADF—along with other areas of the public sector—will suffer higher loss rates, at middle and senior levels, to other forms of employment, among its more skilled and qualified members.

78. **Defence Force Retirement and Death Benefits (DFRDB).** The Services' pension scheme, the DFRDB scheme, is widely regarded as one of the most attractive features of ADF service. It provides a pension for life, generally after 20 year's service, which is calculated as a percentage of the member's final military salary. The percentage increases for each additional year of service over 20, up to 40 years. There is for officers a penalty of 3% of pension and commutation for each year of service less than 'notional' retiring age (which is defined in the DFRDB Act and is at least 5 years less than statutory retiring age).

79. A member can elect to take 4.25 years pension as a lump sum; the pension is reduced so that the lump sum is repaid over life expectancy. The scheme, being as attractive as it is, serves to encourage members to render 20 year's service. It is likely that it is at the 12-13 year's service point that the availability of a pension at the 20 year point is a prime retention factor. It can be said therefore that in the absence of a pension scheme viewed as attractive, or which provided benefits after a longer period of service, many members who now serve to pension, would separate at earlier points of their career.

80. At the twenty year point and beyond, the DFRDB scheme enables a member to consider an alternative form of employment from a base of a guaranteed lump sum and a continuing pension. This is in keeping with the view of the Services at the time the DFRDB scheme was introduced, that to maintain a Defence Force of desirable age distribution there was need for substantial streaming out at the point of 20 year's service.

81. **Housing.** The standards of housing and the timeliness of repairs and maintenance have long been an irritant to Defence tenants and the Government's commitment to improve Defence Housing is one which the Defence Force as a whole welcomes. The Commonwealth/State Housing Agreement—Service Personnel (CSHA(S)) has in the past been the basis for the provision of a significant proportion of the Defence Housing stock. Of some 23,000 houses 14,000 have been provided under the CSHA(S). There have been serious concerns with the quality and location of much of this housing. Renegotiation of the CSHA(S), which is expected to be advanced this year, has the primary objective of making a major improvement in the relative short term to the overall quality of Defence housing.

82. A major Government initiative has been the establishment of the Defence Housing Authority (DHA) which came into operation on 1 January this year. The DHA has considerable autonomy in tackling its task. The Government has committed itself to ensuring that over a 10 year period, the Authority will have available \$750M for capital spending. The combination of more flexible management arrangements and the guaranteed level of funding will ensure a significant improvement in the overall standard of Defence Housing, with benefit to the morale and well-being of Defence Force members and their families.

83. It needs to be mentioned that in recognition of the housing disability incurred by reasons of service, rents paid by Defence Force tenants are subsidised. A Colonel (equivalent) accommodated in housing appropriate to his status pays no more than \$86.15 per week. A private (equivalent) appropriately housed pays not more than \$51.10 per week. Lower rents may apply if the housing allocated is below standard.

84. All of the above measures should encourage improved retention in the ADF. They are being pursued vigorously.

CONCLUSION

85. This second submission has examined the effects of current separation rates. The increases which have been experienced have been generally manageable, although there are specific employment categories where the increases have been more significant, eg pilots. The magnitude of the overall increase has been misunderstood and significantly exaggerated.

86. Where possible for those categories where separations are causing problems, specific measures have or are being implemented to overcome their consequences. For example, a number of recent initiatives have been taken with respect to the pilot situation.

87. The monitoring, review and, as appropriate, the upgrading of ADF conditions of employment is an ongoing activity. This should ensure that the ADF continues to have sufficient numbers of effective personnel.

88. This submission has confirmed the view that changing societal factors and increasing market forces in a buoyant economy, together with demographic trends within the ADF, will maintain, if not increase, current separation rates. The general initiatives mentioned above are aimed at minimising the impact of such factors.

89. Recent separations have not given rise to a general reduction in the ADF's overall ability to meet its obligations to the Government notwithstanding that there are some areas of the ADF eg, pilots, which are a cause for concern. The ADF is maintaining a satisfactory state of readiness with respect to the endorsed strategic outlook.

SUMMARY OF TABLES AND GRAPHS

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LENGTH OF SERVICE STATISTICS

1. This annex contains 9 graphs which show the average (mean) length of service over recent years for Male Officers and Other Ranks for each Service. As a simple average (based on the mean) can be misleading, given the wide variation in achieved length of service, the data is broken in 3 groups—less than 10 years, 10 to less than 20 years and 20 years and higher.
2. The data provided in the graphs is summarised in Table A1.

TABLE A-1

MALE OFFICERS AND OTHER RANKS: AVERAGE LENGTHS OF SERVICE IN YEARS IN 1986-87 AND THE LONG TERM

	1986-87	Long Term Average
Navy Officers	11.83	11.41
Navy Other Ranks	7.71	7.34
Army Officers	13.39	13.04
Army Other Ranks	7.18	6.82
Air Force Officers	11.11	11.17
Air Force Other Ranks	8.87	8.32

3. An alternative statistical measure is the median length of service. Table A-2 contains the analysis based on this approach.

TABLE A-2

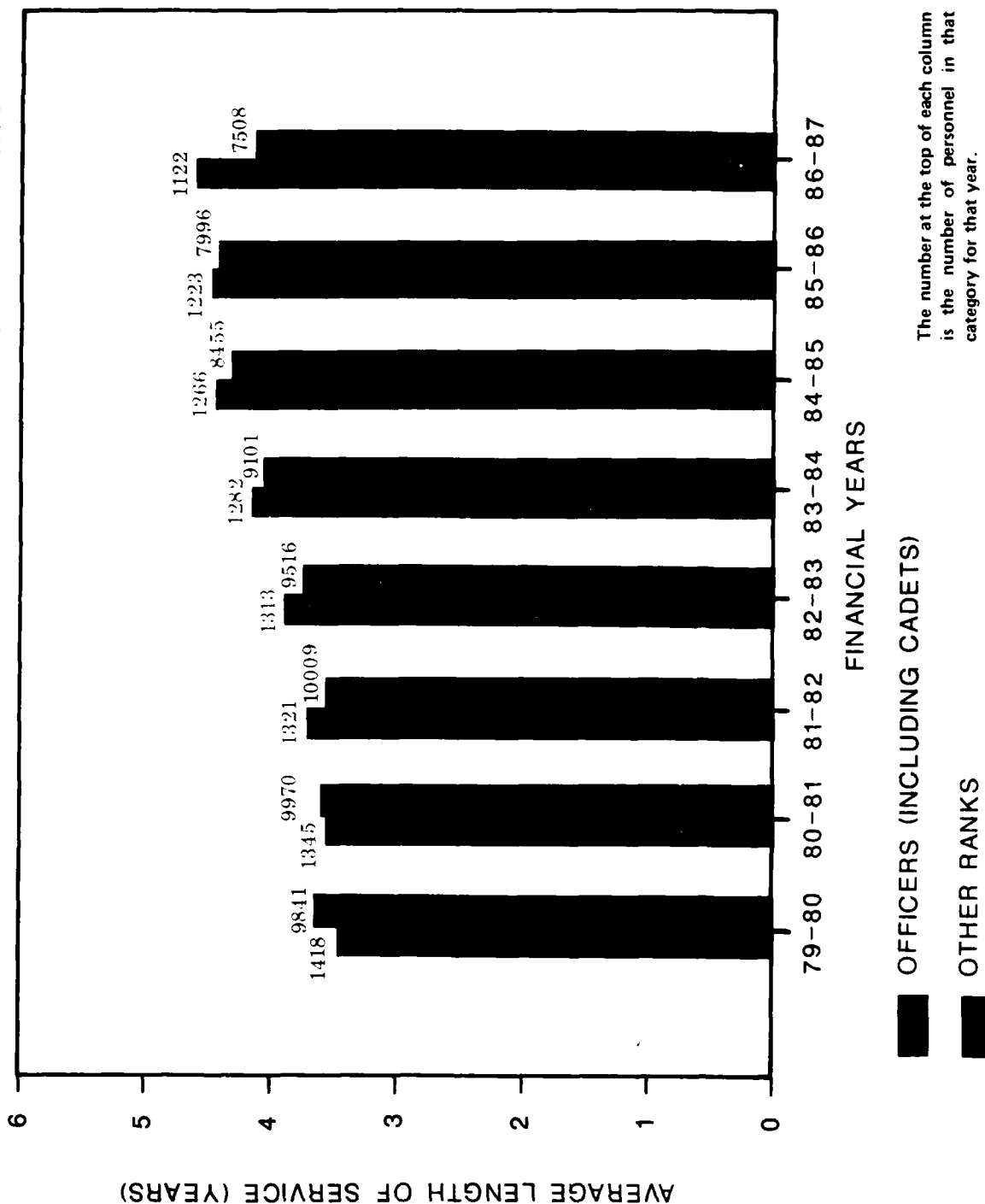
NAVY, ARMY AND AIR FORCE: LENGTH OF SERVICE OF THEIR MEDIAN OFFICER AND O/R MALE PERSONNEL (COMPLETED YEARS)

	77	78	78	79	79	80	80	81	81	82	82	83	83	84	84	85	85	86	86	87
NAVY																				
OFFICER	NA	NA	9	10	10	10	10	10	9	10	10									
OTHER RANKS	NA	NA	5	5	5	6	6	6	7	7										
ARMY																				
OFFICER	11	12	12	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13
OTHER RANKS	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
RAAF																				
OFFICER	10	11	11	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
OTHER RANKS	7	7	7	6	6	7	7	7	7	7	7	7	7	7	7	7	7	7	7	8

GRAPH A-1

NAVY - MALES BY AVERAGE LENGTH OF SERVICE (<10 YRS)

OFFICER 8YR AV = 4.02 OTHER RANKS 8YR AV = 3.93

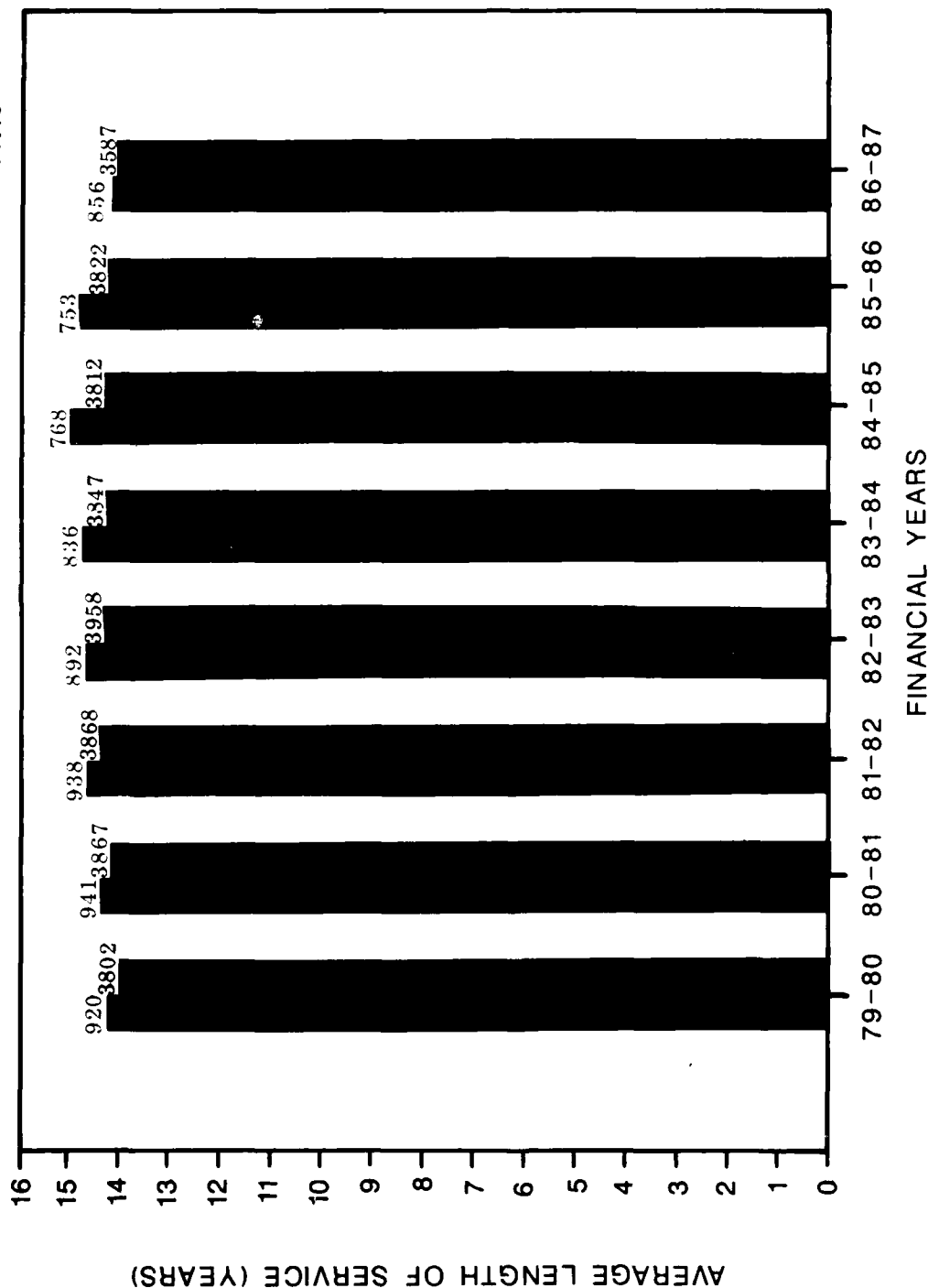


GRAPH A-2

NAVY - MALES BY AVERAGE LENGTH OF SERVICE (10-19 YRS)

OFFICER 8YR AV = 14.52

OTHER RANKS 8YR AV = 14.19



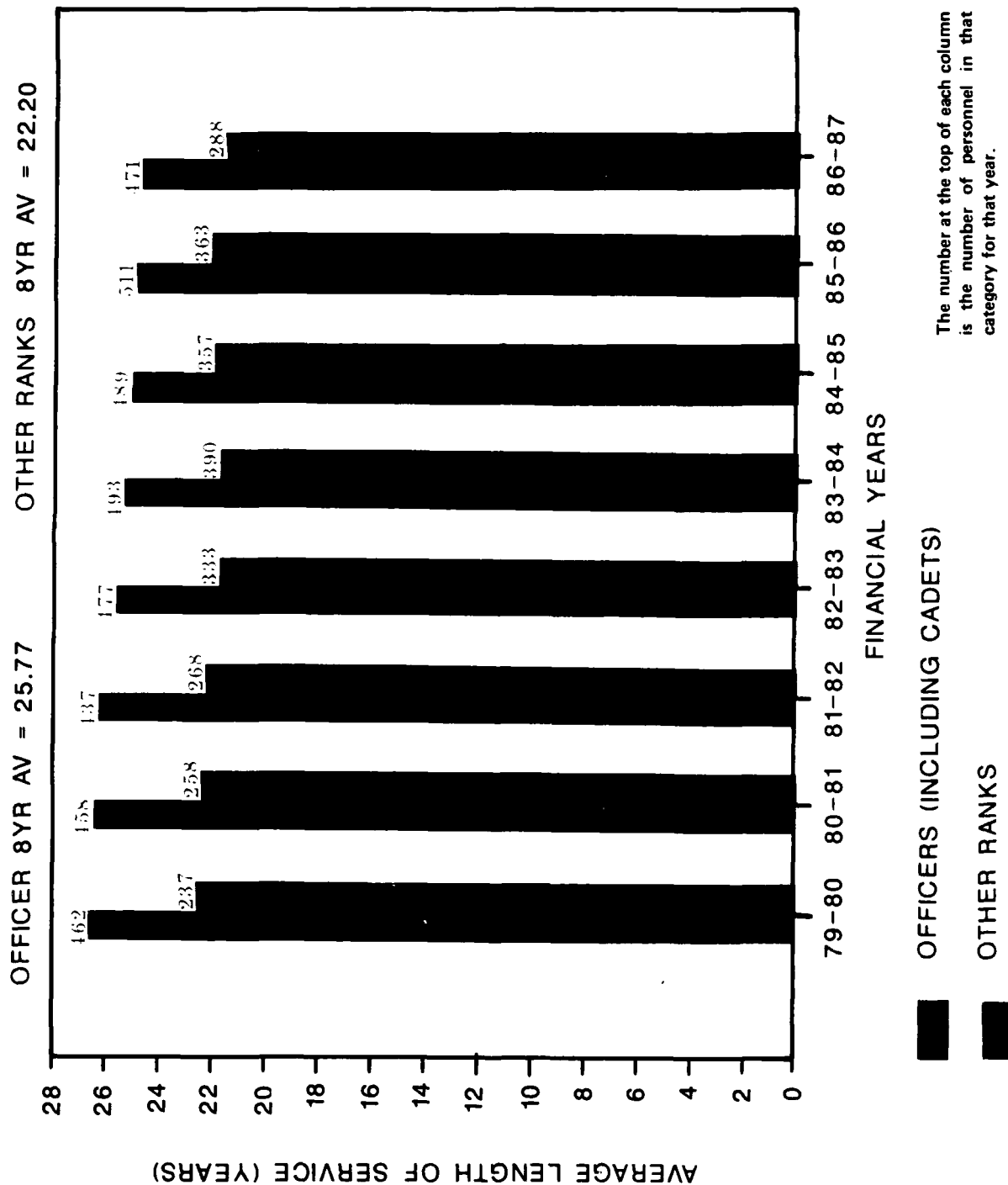
OFFICERS (Including Cadets)

OTHER RANKS

The number at the top of each column is the number of personnel in that category for that year.

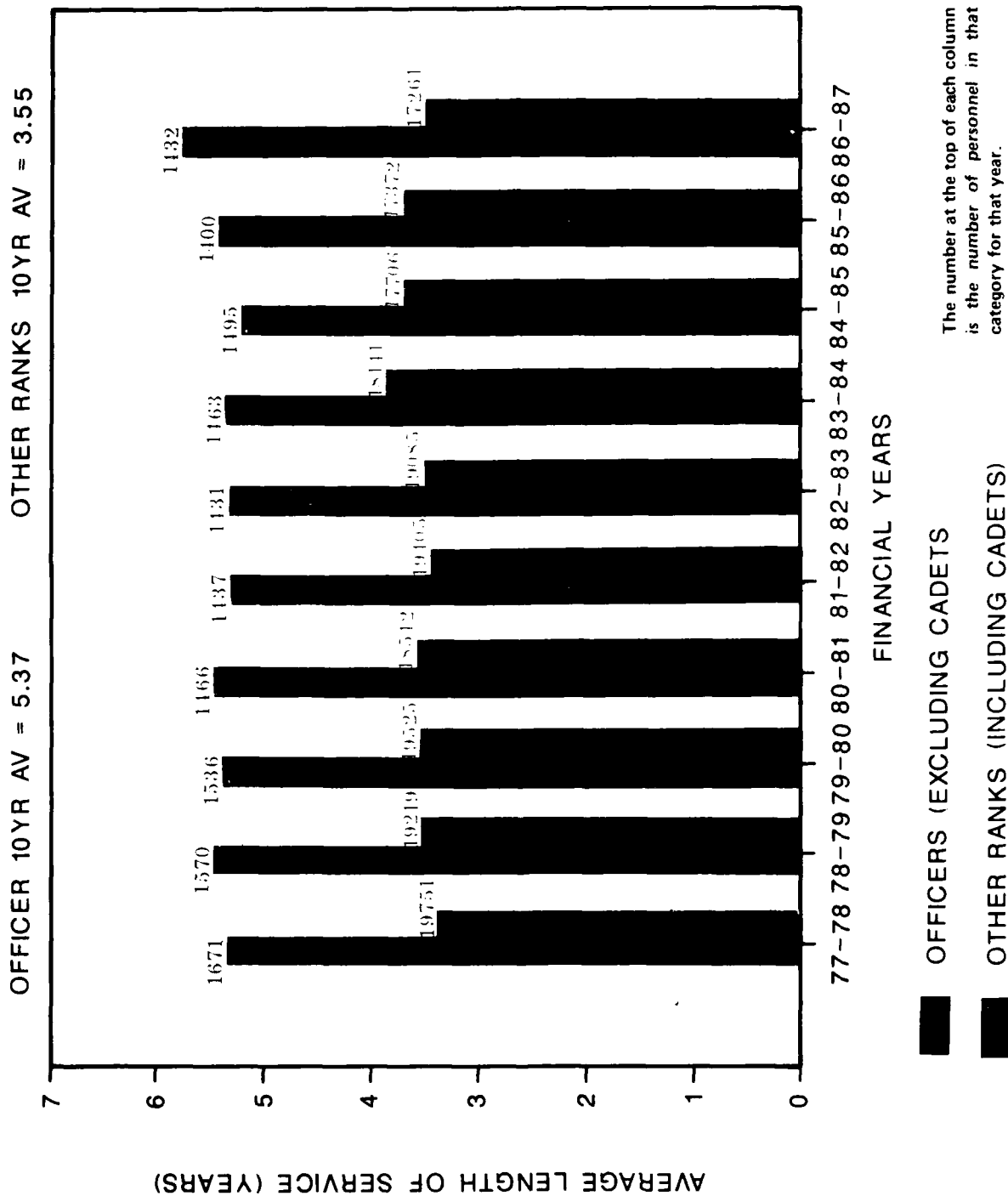
GRAPH A-3

NAVY - MALES BY AVERAGE LENGTH OF SERVICE (20 + YRS)



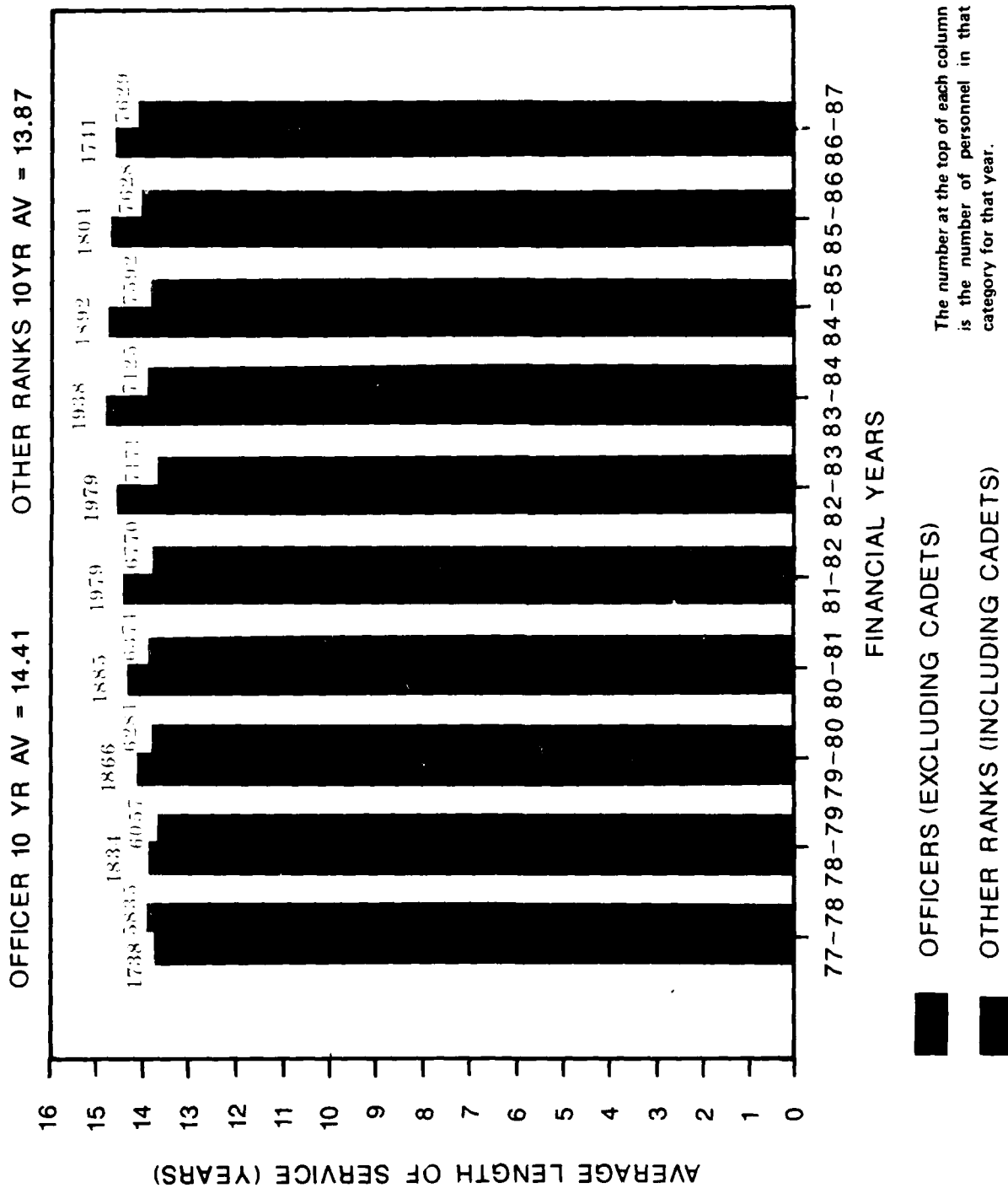
GRAPH A-4

ARMY - MALES BY AVERAGE LENGTH OF SERVICE (<10 YRS)



GRAPH A-5

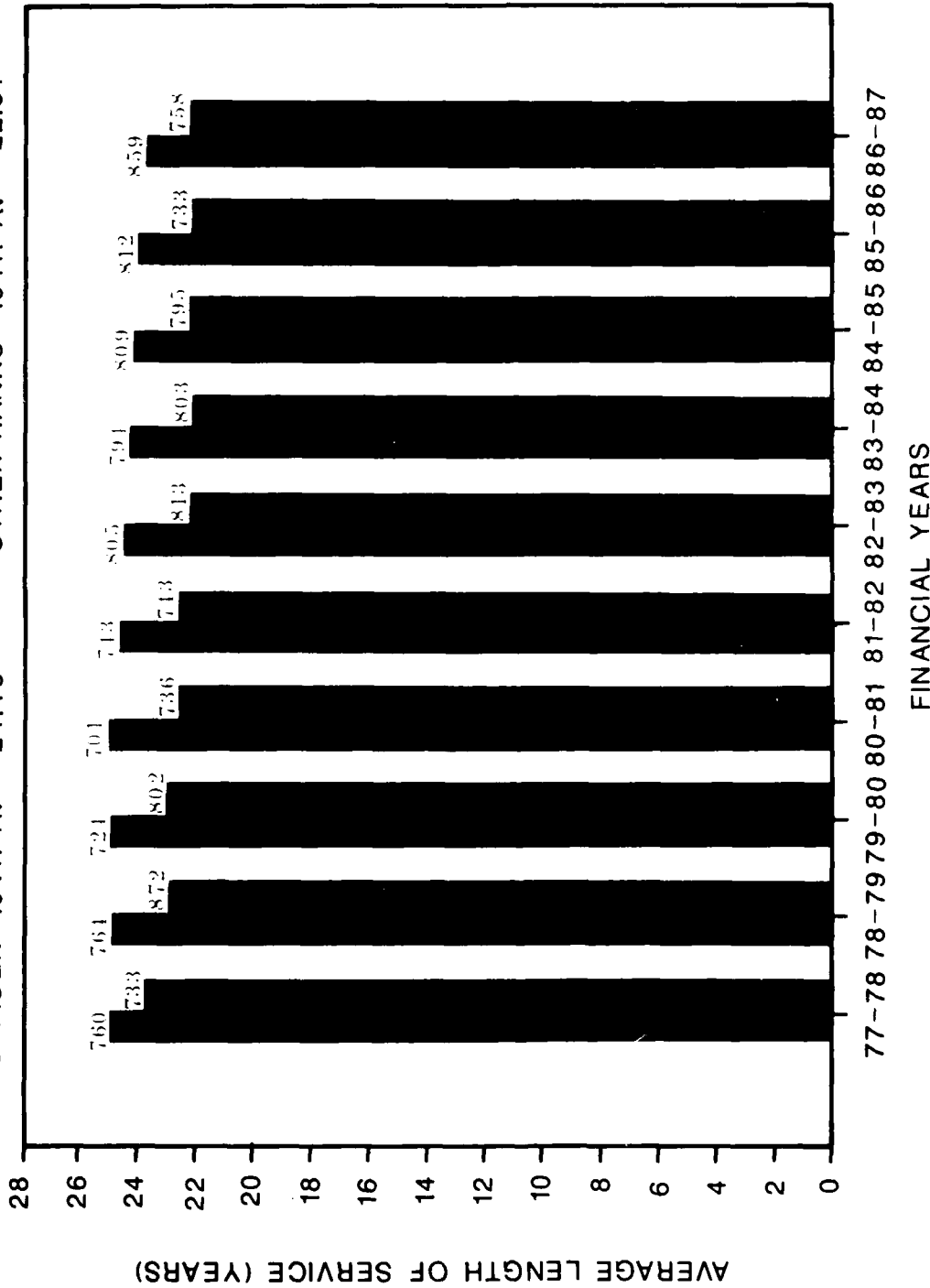
ARMY - MALES BY AVERAGE LENGTH OF SERVICE (10 - 19 YRS)



GRAPH A-6

ARMY - MALES BY AVERAGE LENGTH OF SERVICE (20 + YRS)

OFFICER 10YR AV = 24.45 OTHER RANKS 10YR AV = 22.51



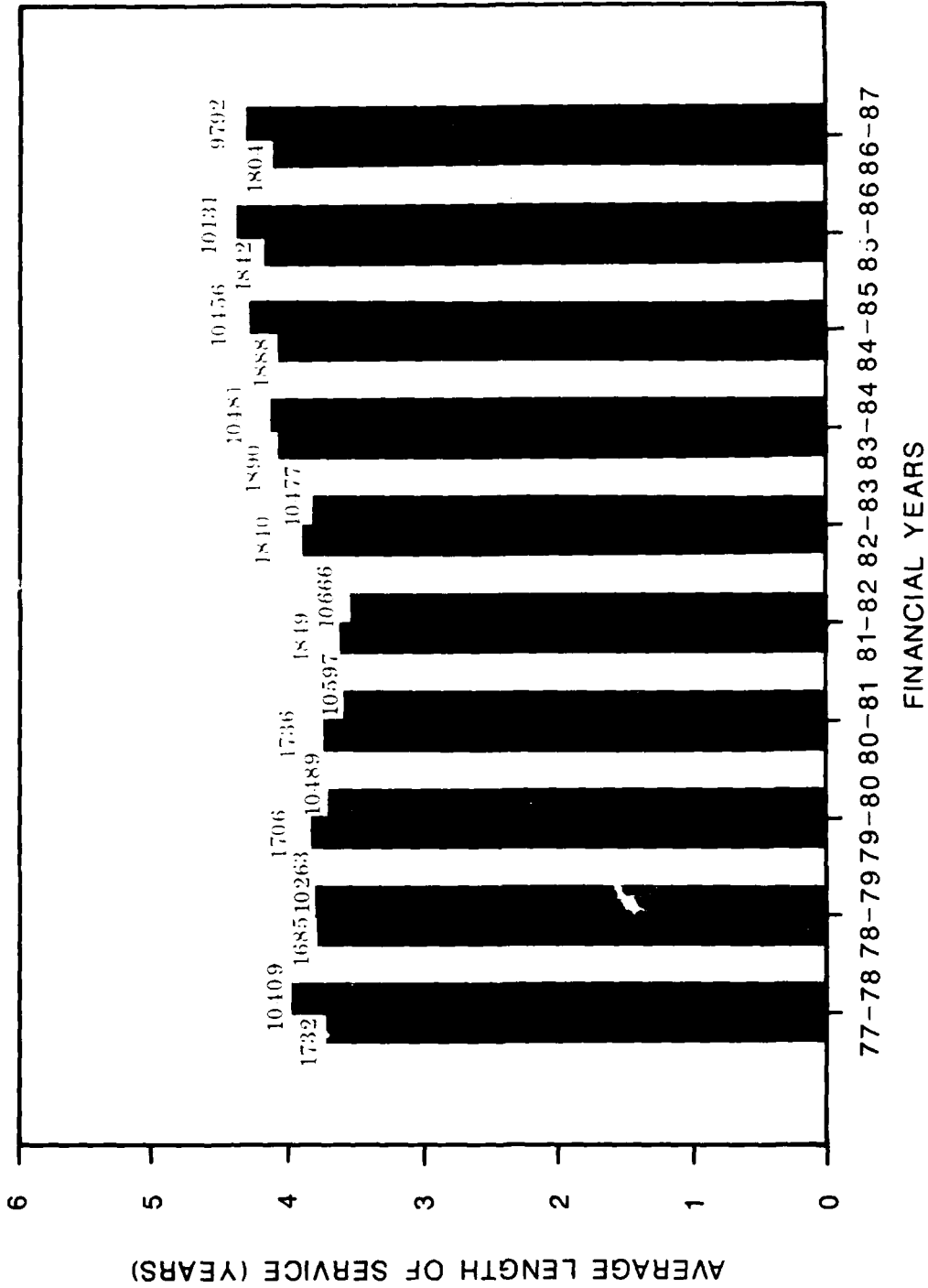
The number at the top of each column is the number of personnel in that category for that year.

GRAPH A-7

RAAF - MALES BY AVERAGE LENGTH OF SERVICE (<10 YRS)

OFFICER 10YR AV = 3.93

OTHER RANKS 10YR AV = 3.97



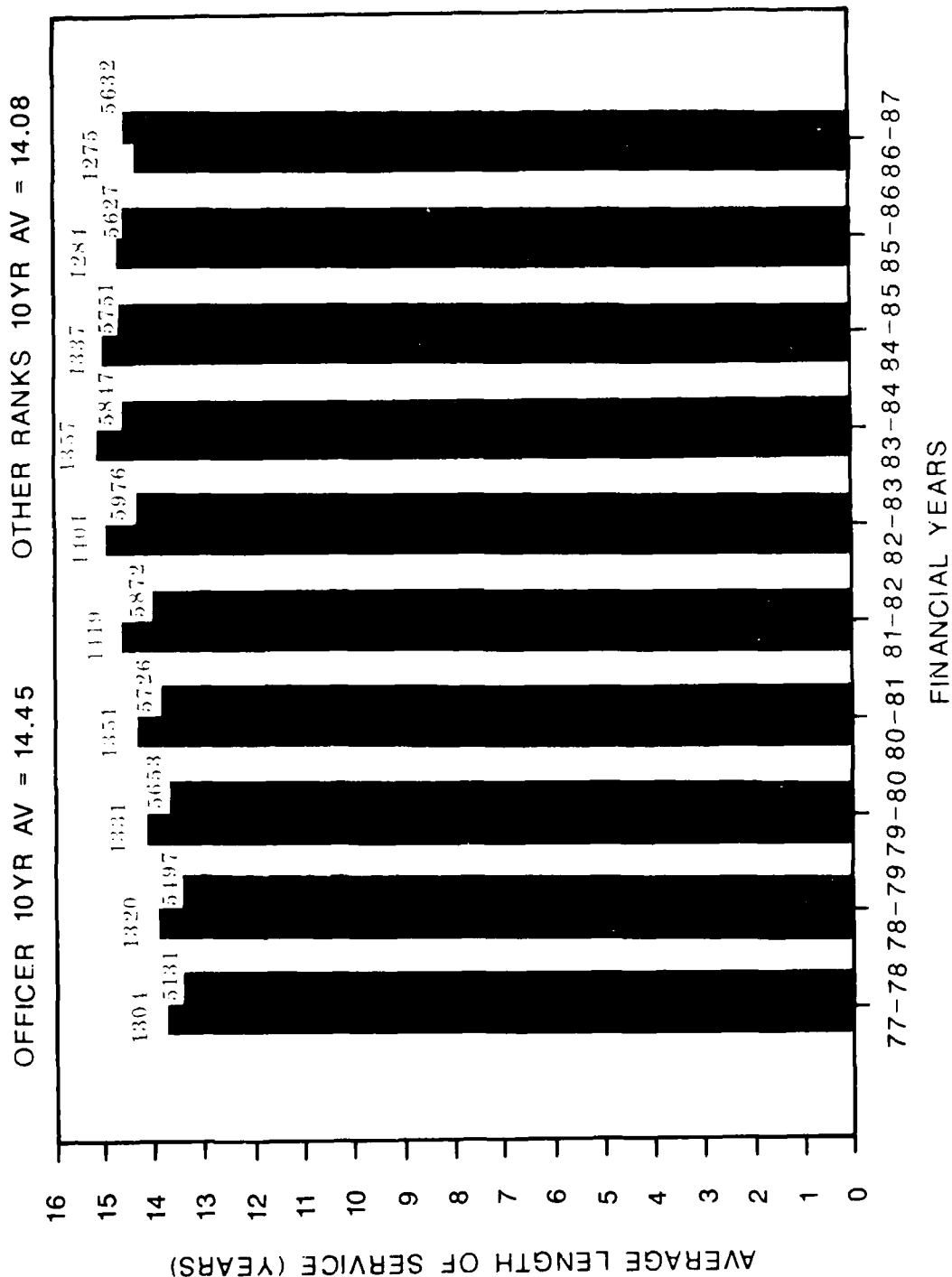
OFFICERS (INCLUDING CADETS)

OTHER RANKS

The number at the top of each column is the number of personnel in that category for that year.

GRAPH A-8

RAAF - MALES BY AVERAGE LENGTH OF SERVICE (10 - 19 YRS)



OFFICERS (INCLUDING CADETS)

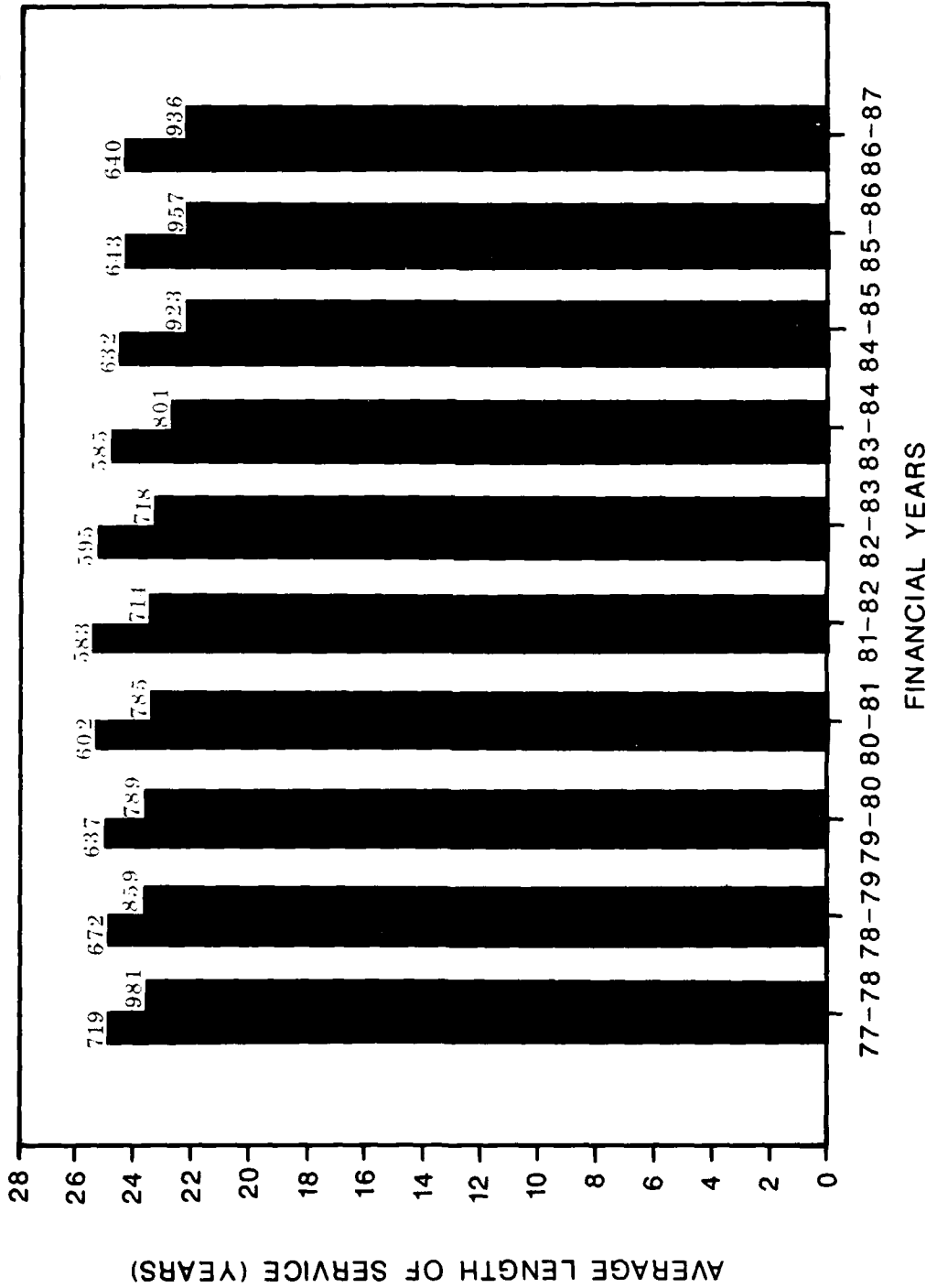
OTHER RANKS

The number at the top of each column is the number of personnel in that category for that year.

GRAPH A-9

RAAF - MALES BY AVERAGE LENGTH OF SERVICE (20 + YRS)

OFFICER 10YR AV = 24.83 OTHER RANKS 10YR AV = 22.95



OFFICERS (INCLUDING CADETS)

OTHER RANKS

The number at the top of each column is the number of personnel in that category for that year.

EMBARGOED UNTIL DELIVERY

PARLIAMENTARY STATEMENT

BY THE HON ROS KELLY MP

MINISTER FOR DEFENCE SCIENCE AND PERSONNEL

ON THE IMPLEMENTATION OF THE HAMILTON REPORT

27 APRIL 1988

IN NOVEMBER 1985 THE MINISTER FOR DEFENCE COMMISSIONED A STUDY INTO THE PROBLEMS FACING SPOUSES OF SERVICE PERSONNEL.

THE MINISTER REALIZED THAT CIRCUMSTANCES HAVE CHANGED. IN THE PAST, SERVICE FAMILIES WERE EXPECTED WITHOUT QUESTION TO UP STUMPS AND FOLLOW THE COLOURS, WHEREVER THEY LED AND WHATEVER THE FAMILY CIRCUMSTANCES. THAT IS NO LONGER THE CASE, AND NOR SHOULD IT BE. COMMUNITY EXPECTATIONS HAVE CHANGED, AND SO HAVE THE EXPECTATIONS OF SERVICE FAMILIES.

THE STUDY THE MINISTER COMMISSIONED WAS UNDERTAKEN BY MRS SUE HAMILTON OF THE OFFICE OF THE STATUS OF WOMEN OVER A PERIOD OF 5 MONTHS. THE HAMILTON STUDY BROKE NEW GROUND. IT IDENTIFIED, FOR THE FIRST TIME, ALL OF THE ISSUES THAT SERVICE IN THE AUSTRALIAN DEFENCE FORCE CREATES FOR THE SPOUSES AND FAMILIES OF ITS MEMBERS. IT RECOGNISED THAT ADF POLICY SHOULD PAY REAL ATTENTION TO THE NEEDS OF THE SPOUSE AND FAMILY, TO THEIR QUALITY OF LIFE AND TO THE EFFECT ON THEM OF A MEMBER'S SERVICE IN THE ADF.

THE HAMILTON REPORT HAD NO PREDECESSOR, AND NO SUBSTANTIAL RESEARCH BASE TO WORK FROM. NO BROAD EXAMINATION, INVESTIGATION OR STUDY HAD LOOKED AT THE NEEDS AND WANTS OF THE PEOPLE WHO, THOUGH THEY ARE NOT BOUND TO THE AUSTRALIAN DEFENCE FORCE BY SERVICE, ARE DEEPLY AFFECTED BY ITS POLICY AND DAY TO DAY DECISIONS.

DURING THE COURSE OF THE STUDY MRS HAMILTON TRAVELLED TO ALL STATES AND VISITED ALL AREAS WITH MAJOR CONCENTRATIONS OF SERVICE PERSONNEL, AS WELL AS A NUMBER OF SMALLER BASES IN REMOTE LOCATIONS. OPEN MEETINGS FOR SPOUSES WERE HELD IN EVERY AREA VISITED. ATTENDANCE AT THESE MEETINGS TOTALLED ABOUT 4,300.

OVER 700 WRITTEN SUBMISSIONS WERE MADE TO THE STUDY. MANY PEOPLE TOOK THE OPPORTUNITY TO AIR THEIR VIEWS THROUGH RADIO PHONE-INS AROUND AUSTRALIA, BY PRIVATE TELEPHONE CONTACT, OR BY OFFICE VISIT.

CONTACT WAS NOT LIMITED TO INDIVIDUALS. MRS HAMILTON ALSO HAD DISCUSSIONS WITH COMMANDING OFFICERS, ADMINISTRATIVE STAFF AND OTHER SERVING PERSONNEL IN THE AREAS SHE VISITED; WITH CHAPLAINS AND WELFARE STAFF ATTACHED TO BASES; AND WITH CIVILIAN AGENCIES IN AREAS AROUND BASES.

THE HAMILTON REPORT IS THOROUGH. I AM PLEASED TO REPORT THAT THE GOVERNMENT'S ACTIONS IN RESPONSE TO THE RECOMMENDATIONS OF THE REPORT HAVE BEEN FLEXIBLE AND COMPREHENSIVE.

THE FIRST RECOMMENDATION MRS HAMILTON MADE WAS FOR A CLEAR DIRECTIVE TO BE GIVEN AT MINISTERIAL LEVEL THAT THE ISSUE OF FAMILY MORALE IN THE AUSTRALIAN DEFENCE FORCE IS ONE OF HIGH PRIORITY.

MY COLLEAGUE THE MINISTER FOR DEFENCE GAVE HIS PERSONAL COMMITMENT. THE GOVERNMENT EXPRESSED ITS COMMITMENT BY APPOINTING ME MINISTER FOR DEFENCE SCIENCE AND PERSONNEL. MY ACTIONS SINCE ASSUMING THIS MINISTRY CONFIRM THAT COMMITMENT.

SINCE MY APPOINTMENT I HAVE MADE EXTENSIVE VISITS TO DEFENCE BASES THROUGHOUT AUSTRALIA TO TALK TO SERVICE MEMBERS AND THEIR FAMILIES AND TO GAUGE FOR MYSELF THE ISSUES THAT CONCERN THEM AND THE PROBLEMS THEY FACE.

THESE VISITS HAVE GIVEN ME A VITAL INSIGHT INTO THE SHEER SIZE OF THE DEFENCE COMMUNITY, AND THE VARIETY OF PLACES IN WHICH SERVICE FAMILIES LIVE AND WORK.

THESE VISITS HAVE TAUGHT ME THAT, ABOVE ALL, OUR EFFORTS TO IMPROVE THE QUALITY OF LIFE FOR DEFENCE FAMILIES MUST BE ADAPTABLE. THEY MUST ALLOW FOR THE LOCAL AND REGIONAL DIFFERENCES BETWEEN THE MANY PLACES - FROM CAPITAL CITIES TO REMOTE AND ISOLATED COMMUNITIES - THAT SERVICE LIFE TAKES PEOPLE TO.

DIFFERENT PLACES REQUIRE DIFFERENT ASSISTANCE, AND PEOPLE MOVING FROM ONE PLACE TO ANOTHER HAVE DIFFERENT NEEDS IN DIFFERENT PLACES. SERVICE LIFE CAN MEAN YOU MOVE FROM CANBERRA TO PUCKAPUNYAL, AND THEN TO TOWNSVILLE OR MELBOURNE.

THE OPERATIONAL AND TRAINING NEEDS OF A SERVICE CAREER DEMAND POSTINGS. MANY, IF NOT MOST, OF THE UNIQUE DIFFICULTIES THAT AFFECT SERVICE FAMILIES DERIVE FROM THIS INEVITABLE NEED FOR POSTINGS.

THE HAMILTON REPORT RECOGNIZED THE PROBLEM, AND ITS IMPORTANCE. THE CHIEF OF THE DEFENCE FORCE RECOGNIZES IT, AND SO DOES THIS GOVERNMENT.

FOLLOWING THE HAMILTON REPORT WE EMPLOYED AN INDEPENDENT FIRM OF MANAGEMENT CONSULTANTS TO EXAMINE THE POLICIES ON PROMOTIONS AND POSTINGS IN THE THREE SERVICES. THEY CONCLUDED THAT THE INCIDENCE OF POSTINGS IS AT A LEVEL CONSISTENT WITH THE OPERATIONAL AND TRAINING NEEDS OF THE ADF.

AT THE SAME TIME, THEY MADE RECOMMENDATIONS TO ASSIST IN ACHIEVING A BALANCE BETWEEN THE REQUIREMENTS OF SERVICE AND DOMESTIC LIFE.

THE CHIEF OF THE DEFENCE FORCE HAS DETERMINED THAT POSTINGS WILL BE FOR THREE YEARS, SUBJECT TO OPERATIONAL EXIGENCIES. FURTHER, A POLICY OF BACK TO BACK POSTINGS IN THE SAME LOCALITY WILL BE PURSUED WHEREVER POSSIBLE, GIVING THOSE WHO WANT IT STABILITY FOR UP TO SIX YEARS.

I DO NOT WANT TO GIVE THE IMPRESSION THAT MOVING FROM PLACE TO PLACE IS NECESSARILY AN UNWELCOME THING. MANY DEFENCE FAMILIES, MANY OF THEIR CHILDREN, ENJOY THE VARIETY OF A SERVICE LIFE, AND THE RANGE OF EXPERIENCES THEY GAIN FROM IT.

WHAT THE GOVERNMENT MUST TRY TO DO IS TO FIND THE BEST WAY WE CAN TO EASE UNNECESSARY BURDENS AND PRESSURES ON FAMILIES WHEN THEY ARE POSTED.

ONE VERY IMPORTANT MEANS OF HELPING A FAMILY TO ADJUST TO A NEW LOCATION IS TO PROVIDE AS MUCH INFORMATION AS POSSIBLE TO THE FAMILY ABOUT THE PLACE THEY ARE GOING TO. FAMILIES NEED TO KNOW ABOUT SCHOOLING, ABOUT THE AVAILABILITY OF EMPLOYMENT FOR SPOUSES, ABOUT CHILD CARE AND COMMUNITY SERVICES.

THE HAMILTON REPORT IDENTIFIED THIS NEED AND MADE RECOMMENDATIONS ABOUT IT. THEY HAVE BEEN IMPLEMENTED. THE GOVERNMENT HAS SET UP THE AUSTRALIAN DEFENCE FORCE FAMILY INFORMATION AND LIAISON STAFF (ADFILS), TO PROVIDE COMMUNITY DEVELOPMENT AND EDUCATION SUPPORT FOR SERVICE FAMILIES THROUGHOUT AUSTRALIA.

ADFILS HEADQUARTERS IN CANBERRA COORDINATES AN EXTENSIVE NETWORK OF FULL AND PART-TIME PROFESSIONAL STAFF. THE RECRUITMENT PROGRAM TO FILL ALL THE POSITIONS THAT HAVE BEEN CREATED IS WELL ADVANCED. IN ALL THERE WILL BE:

- ONE SENIOR COMMUNITY DEVELOPMENT COORDINATOR AND SIX COMMUNITY DEVELOPMENT COORDINATORS
- EIGHT REGIONAL EDUCATION LIAISON OFFICERS
- THIRTY COMMUNITY DEVELOPMENT OFFICERS

IN ADDITION, FIFTY ONE FAMILY LIAISON OFFICERS (FLOS) HAVE BEEN ESTABLISHED IN THE SERVICES TO ACT AS THE FIRST POINT OF CONTACT FOR FAMILIES. THEY WILL OPERATE AS A SUPPLEMENT TO THE SUPPORT SYSTEMS THAT HAVE BEEN RUN BY THE INDIVIDUAL SERVICES FOR MANY YEARS.

THE REGIONAL EDUCATION LIAISON OFFICERS (REDLOS) WILL PROVIDE PROFESSIONAL ADVICE AND ASSISTANCE TO SERVICE FAMILIES AND TO FLOS, ESTABLISH AND MONITOR THE EDUCATION NEEDS OF FAMILIES, AND REPRESENT THOSE NEEDS TO STATE GOVERNMENTS AND AUTHORITIES..

THE COMMUNITY DEVELOPMENT COORDINATORS (CDCS) WILL PROVIDE THE ESSENTIAL LINK BETWEEN CIVILIAN AND SERVICE COMMUNITIES, AND ENSURE THE SMOOTH DELIVERY OF SUPPORT SERVICES FOR DEFENCE FAMILIES. THEY WILL ALSO SELECT, TRAIN AND MONITOR THE THIRTY COMMUNITY DEVELOPMENT OFFICERS (CDOS) WHO WILL BE BASED IN AREAS OF MAJOR SERVICE CONCENTRATION.

THIS EXTENSIVE PROFESSIONAL NETWORK WILL BE A BOON FOR MOBILE FAMILIES. IT WILL MAKE RELIABLE INFORMATION EASY TO OBTAIN, AND ASSISTANCE READILY AVAILABLE TO ANY FAMILY THAT NEEDS IT. ADFILS IS A VERY IMPORTANT SOURCE OF DIRECT SUPPORT TO SERVICE PERSONNEL AND THEIR FAMILIES, AND I CONFIDENTLY PREDICT THAT, ONCE IT IS FULLY OPERATIONAL (AND THAT WILL BE SOON), THE NETWORK WILL PROVE TO BE THE MOST VALUABLE RESOURCE GOVERNMENT HAS EVER PROVIDED TO SERVICE FAMILIES.

IT IS ESSENTIAL THAT ALL MEMBERS OF THE ADF KNOW ABOUT ADFILS AND THE SERVICES IT HAS TO OFFER. COMMUNICATION IS EFFECTED THROUGH ADFILS OUTPOSTED STAFF, BY THE REGULAR PUBLICATION OF A NEWSLETTER AND BY FREQUENT CONTRIBUTIONS BY ADFILS TO THE THREE SERVICE NEWSPAPERS. I MAKE IT MY BUSINESS WHENEVER I VISIT A BASE TO TALK TO SERVICEMEN AND SERVICEWOMEN AND TO SPOUSES GROUPS TO RAISE WITH THEM FAMILY ISSUES, SO THAT EVERYONE I CAN REACH IS UP-TO-DATE WITH THEIR ENTITLEMENTS.

CLOSE ATTENTION HAS BEEN GIVEN TO THE PROMPT SETTLEMENT OF CLAIMS FOR COMPENSATION SUBMITTED AS A RESULT OF LOSS OR DAMAGE TO GOODS DURING REMOVAL. THE SPOUSES WORKING PARTY ON REMOVALS ON WHICH SERVICE SPOUSES ARE REPRESENTED, KEEP A CLOSE EYE ON THE EFFICIENCY OF REMOVALS. THERE IS EVIDENCE THAT ALL ASPECTS OF REMOVALS HAVE IMPROVED CONSIDERABLY.

DISRUPTIONS TO CHILDREN'S EDUCATION CAN BE A MAJOR PROBLEM FOR SERVICE PARENTS. THE FREQUENT REQUIREMENT FOR INTERSTATE POSTINGS MEANS CHILDREN, PARTICULARLY THOSE AT IMPORTANT POINTS IN THEIR SCHOOLING, MAY SUFFER DISADVANTAGES. WE ARE TAKING ACTION TO MINIMISE ANY BAD EFFECTS.

MY CONSULTANT, MRS HELEN MAYER, IS CURRENTLY WORKING ON OBTAINING AGREEMENT WITH STATE EDUCATION AUTHORITIES ON REPORTING PROCESSES.

WE HAVE DEVELOPED A PILOT SCHEME TO INTRODUCE A STUDENT PORTFOLIO INTO SCHOOLS WITH A HIGH SERVICE POPULATION. THE PORTFOLIO WILL CONTAIN EXAMPLES OF STUDENTS' WORK AND INTERESTS THAT WILL BE PORTABLE FROM SCHOOL TO SCHOOL. THIS WILL ASSIST TEACHERS TO PLACE STUDENTS AT THE RIGHT LEVEL AND GIVE THEM VITAL INFORMATION ABOUT WHAT A STUDENT HAS LEARNT AT THE PREVIOUS SCHOOL AND WHAT HAS BEEN MISSED OUT.

THE STUDENT INFORMATION PORTFOLIO HAS BEEN INTRODUCED IN EVERY STATE AND TERRITORY AND HAS BEEN ENTHUSIASTICALLY RECEIVED BY SERVICE PARENTS.

I WOULD LIKE TO SEE A COMMON-CORE CURRICULUM INTRODUCED IN HIGH SCHOOLS THAT HAVE A HIGH DEFENCE POPULATION. THIS WILL INVOLVE COMPLEX NEGOTIATIONS WITH THE DIRECTORS GENERAL OF EDUCATION IN EACH OF THE STATES BUT IT IS THE DIRECTION I WANT TO PURSUE.

THE STUDENT PORTFOLIO IS ONLY ONE OF A NUMBER OF INITIATIVES WE HAVE TAKEN IN AN AREA THAT IS CLEARLY OF GREAT CONCERN TO DEFENCE PARENTS. I HAVE INTRODUCED AN EXTRA TUITION ALLOWANCE PAYABLE FOR CHILDREN IN THE LAST TWO YEARS OF PRIMARY OR IN ANY STAGE OF SECONDARY SCHOOL WHO MOVE AS A RESULT OF A POSTING. WHERE NEEDED EXTRA TUITION FOR UP TO SIX WEEKS WILL BE AVAILABLE, WITH TUITION FEES BEING REIMBURSED UP TO A MAXIMUM OF \$40 A WEEK.

THE ELIGIBILITY CRITERIA FOR EDUCATION ALLOWANCE HAVE BEEN BROADENED. IN THE PAST, EDUCATION ALLOWANCE WAS RESTRICTED TO CHILDREN WHO WOULD SUFFER SERIOUS INTERFERENCE TO THEIR EDUCATION IF REQUIRED TO CHANGE SCHOOLS AS A RESULT OF A POSTING.

THE NEW PROVISIONS GIVE THE APPROVING AUTHORITY GREATER DISCRETION ALSO TO CONSIDER THE IMPACT OF THE MEMBER'S NEXT POSTING WHERE THAT IS LIKELY TO CAUSE SERIOUS INTERFERENCE. THIS WILL PARTICULARLY HELP MEMBERS ON SHORT DURATION POSTINGS TO REMOTE AREAS, SUCH AS TINDAL.

IN WRITING HER REPORT, MRS HAMILTON TALKED TO MANY SERVICE SPOUSES TO FIND OUT WHAT THEY THOUGHT. THIS PROCESS OF CONSULTATION PROVED SO USEFUL THAT MRS HAMILTON RECOMMENDED THE ESTABLISHMENT OF A NATIONAL CONSULTATIVE GROUP OF SERVICE SPOUSES (NCGSS).

THIS GROUP WAS ESTABLISHED IN 1986 AND ITS EXPENSES ARE FUNDED BY THE DEPARTMENT OF DEFENCE. MEMBERS COME FROM ALL OVER THE COUNTRY. THE AIM OF THE GROUP IS TO IMPROVE THE QUALITY OF LIFE FOR SERVICE SPOUSES AND THEIR FAMILIES. THE GROUP PROVIDES A FORUM FOR THEIR VIEWS AND A MECHANISM TO MAKE RECOMMENDATIONS TO ME AND TO CDF. SERVICE SPOUSES THUS ARE IN A POSITION TO INFLUENCE THE POLICIES THAT DIRECTLY AFFECT SERVICE FAMILIES.

AS YOU CAN TELL, MADAM SPEAKER, FROM WHAT I HAVE LISTED SO FAR, THE GOVERNMENT'S IMPLEMENTATION OF MRS HAMILTON'S REPORT HAS BEEN BOTH FLEXIBLE AND COMPREHENSIVE.

WE HAVE SET UP SUPPORT NETWORKS AND EMPLOYED PROFESSIONAL HELP, AS WELL AS INTRODUCING NEW CONDITIONS OF SERVICE WHERE THAT IS A MORE EFFECTIVE AND APPROPRIATE RESPONSE.

CHILD CARE IS AN ISSUE THAT SHOWS HOW THIS COMBINATION OF RESPONSES WORKS. APPROVAL HAS BEEN OBTAINED FOR REIMBURSEMENT OF CHILD CARE EXPENSES FOR UP TO TWO DAYS DURING REMOVALS WHERE ONLY ONE SPOUSE IS AVAILABLE TO DO THE MOVING.

DISCUSSIONS ON THE CHILD CARE NEEDS OF SERVICE FAMILIES WERE HELD WITH THE THEN DEPARTMENT OF COMMUNITY SERVICES IN THE WAKE OF THE HAMILTON REPORT. A NUMBER OF CENTRES WAS IDENTIFIED WHERE THERE WAS A MUTUAL SERVICE AND CIVILIAN INTEREST IN COMMUNITY CHILD CARE. CENTRES WHICH HAVE BEEN OR ARE SOON TO BE ESTABLISHED AS A RESULT OF THESE DISCUSSIONS INCLUDE TOWNSVILLE, KATHERINE, WAGGA, NOWRA, ROCKINGHAM AND HASTINGS.

I RECOGNIZE THAT SERVICE FAMILIES HAVE TO COMPETE FOR PLACES AT THESE CENTRES AND THAT THEY ARE DISADVANTAGED BY THEIR FREQUENT REMOVALS. NEVERTHELESS, THESE FACILITIES DO CONTRIBUTE TO MEETING THE NEEDS OF SERVICE FAMILIES LIVING IN THESE AREAS.

I AM CURRENTLY WORKING ON A COMPREHENSIVE DEFENCE POLICY ON PROVISION OF CHILD CARE SUPPORT FOR DEFENCE FAMILIES. I AM COMMITTED TO IMPROVING THE LEVEL OF SUPPORT AVAILABLE TO DEFENCE FAMILIES IN RECOGNITION OF THE SPECIAL PRESSURES WHICH DEFENCE FORCE EMPLOYMENT IMPOSES IN A SOCIETY WHICH IS CHANGING. SELF HELP WILL CONTINUE TO BE AN IMPORTANT ELEMENT THOUGH, IN MY VIEW, SOME EMPLOYER SUPPORT BY DEFENCE IS ALSO WARRANTED. I HOPE TO HAVE POLICY GUIDELINES FORMULATED IN TIME FOR CONSIDERATION IN THE LEAD UP TO THE AUGUST BUDGET.

MEANWHILE APPROVAL HAS BEEN GIVEN FOR LICENSED FAMILY DAY CARE SCHEMES TO OPERATE FROM SERVICE MARRIED QUARTERS AND FOR SURPLUS DEFENCE FACILITIES TO BE USED TO HOUSE CHILD CARE CENTRES. LIMITED CHILD CARE FACILITIES HAVE ALREADY BEEN ESTABLISHED AT SOME BASES. I OPENED THE NEW CENTRE AT SWANBOURNE IN WESTERN AUSTRALIA EARLIER THIS YEAR. NEXT MONTH I GO TO ENOGGERA TO OPEN THE OCCASIONAL CARE CENTRE AND KINDERGARTEN THERE.

BECAUSE OF THEIR MOBILITY SERVICES SPOUSES OFTEN FIND THAT THEY ARE DISCRIMINATED AGAINST IN OBTAINING EMPLOYMENT. THIS IS NOT ONLY UNFAIR BUT A TERRIBLE WASTE OF TALENT. RECENTLY I MET SERVICE SPOUSE AT HMAS STIRLING. SHE TOLD ME THAT SHE HAD APPLIED FOR A JOB AND WHEN ASKED WHAT HER HUSBAND DID, REPLIED THAT HE WAS IN THE NAVY. NO JOB WAS FORTHCOMING. SHE CALLED AGAIN THE NEXT DAY USING HER MAIDEN NAME. THIS TIME WHEN ASKED WHAT HER HUSBAND DID SHE SAID THAT HE WAS ENGAGED IN UNDERWATER RESEARCH. SHE GOT THE JOB.

I AM PRESENTLY UNDERTAKING A SERIES OF VISITS TO SPEAK WITH EMPLOYERS ABOUT THIS PROBLEM. I AM BEING HELPED IN THIS RESPECT BY THE COMMITTEE FOR EMPLOYER SUPPORT OF RESERVE FORCES. MY AIM IS NOT PREFERENTIAL TREATMENT BUT SIMPLY TO MAKE SURE SERVICE SPOUSES GET A FAIR GO IN EMPLOYMENT.

THERE ARE SEVERAL OTHER INITIATIVES WHICH THE GOVERNMENT HAS PURSUED TO IMPROVE THE LOT OF SERVICE FAMILIES. LEGISLATION WILL BE INTRODUCED SHORTLY TO AMEND THE DEFENCE FORCE RETIREMENT AND DEATHS BENEFIT ACT. THE PURPOSE OF THE AMENDMENT WILL BE TO ALLOW RETIRING MEMBERS TO MAKE AN ELECTION, UP TO THREE MONTHS BEFORE RETIREMENT, TO COMMUTE A PROPORTION OF THEIR PENSIONS TO A LUMP SUM FOR PAYMENT ON THEIR RETIREMENT. THIS WILL MINIMISE IF NOT ENTIRELY REMOVE ANY DELAY BETWEEN SEVERANCE AND RECEIPT OF THE COMMUTATION LUMP SUM.

MEMBERS OF THE ADF ARE NOW ENTITLED TO FOUR REUNION VISITS EACH YEAR IF THEY ARE SEPARATED FROM THEIR SPOUSES ON LONG TERM POSTINGS.

IF THE SERVING MEMBER IS POSTED TO A REMOTE LOCALITY AT THE TIME THAT HIS OR HER CHILDREN ARE FINISHING THEIR LAST YEARS AT HIGH SCHOOL, OR IF HIS OR HER SPOUSE HAS COMPELLING CAREER OBLIGATIONS, THE FAMILY MIGHT DECIDE THAT THEIR COLLECTIVE INTERESTS ARE BEST SERVED BY THE TEMPORARY ABSENCE OF THE SERVING MEMBER. IN A CASE LIKE THAT REUNION VISITS ARE A CRUCIAL ELEMENT IN MAINTAINING FAMILY STABILITY.

TO ALLEVIATE THE DISRUPTIONS TO FAMILIES WHO ARE PRESENTLY REQUIRED TO MOVE TO A NEW LOCALITY WHEN A MEMBER IS POSTED, CONSIDERATION IS BEING GIVEN TO A PROPOSAL THAT THE MEMBER BE ABLE TO DECIDE, HAVING REGARD TO FAMILY NEEDS, TO DEFER MOVEMENT OF THE FAMILY AND CONTINUE TO RECEIVE HOUSING ASSISTANCE AT THE OLD LOCALITY. THIS PROPOSAL IS ONE OF THREE THAT ARE UNDER CONSIDERATION BY MY COLLEAGUE, THE MINISTER FOR INDUSTRIAL RELATIONS.

ANOTHER IMPORTANT RECOMMENDATION OF THE HAMILTON REPORT ALSO UNDER CONSIDERATION BY THE MINISTER FOR INDUSTRIAL RELATIONS IS DISTURBANCE ALLOWANCE.

WITH REGARD TO DISTURBANCE ALLOWANCE, THE RATES FOR THE THIRD, FOURTH , FIFTH AND SIXTH MOVES ARE BEING REVIEWED. POSSIBLE INEQUITIES RELATING TO MEMBERS WITHOUT FAMILIES ARE ALSO BEING CONSIDERED. THE OVERALL AIM IS TO FAIRLY REIMBURSE SERVICE PERSONNEL FOR MOVEMENT NECESSARILY INCURRED BY THE NEED OF THEIR EMPLOYMENT.

AN IMPROVED MEANS OF RECOGNISING AND COMPENSATING MEMBERS FOR THE COSTS INVOLVED IN THE MOVEMENT OF THEIR HOUSEHOLD PETS IS ALSO UNDER CONSIDERATION.

ONE OF THE ADDITIONAL COSTS ASSOCIATED WITH THE REMOVALS IS THAT INVOLVED IN COMPLYING WITH STATE REGULATIONS. DRIVERS LICENCES ARE AN EXAMPLE. MY CONSULTANT HAS BEEN MEETING WITH STATE AUTHORITIES TO TRY AND OBTAIN A MORE TOLERANT APPROACH. IF I HAD MY WAY THERE WOULD BE A NATIONAL DRIVERS LICENCE FOR DEFENCE FORCE PERSONNEL. UNFORTUNATELY, I HAVE BEEN ADVISED THAT CONSTITUTIONAL DIFFICULTIES MIGHT BE ENCOUNTERED IN UNILATERALLY PURSUING SUCH AN OBJECTIVE.

NO STATEMENT ABOUT SERVICE FAMILIES WOULD BE COMPLETE WITHOUT TALKING ABOUT HOUSING. THE HAMILTON REPORT MADE NO SPECIFIC RECOMMENDATIONS ABOUT SERVICE HOUSING, APART FROM INDICATING THAT THERE WAS A PROBLEM AND THAT MEASURES TO ADDRESS IT WERE UNDERWAY.

THEY CERTAINLY ARE. ON THE FIRST OF JANUARY THE DEFENCE HOUSING AUTHORITY WAS SET UP. THE LEGISLATION ESTABLISHING THE DHA ENSURED IT THE FLEXIBILITY TO MANAGE DEFENCE HOUSING COMMERCIALY, TO REDUCE MANAGEMENT COSTS AND DELAYS IN DELIVERIES AND TO IMPROVE MAINTENANCE.

THE GOVERNMENT HAS PLEDGED THAT \$750M WILL BE MADE AVAILABLE TO THE AUTHORITY OVER TEN YEARS FOR ACQUISITION AND BUILDING OF NEW HOUSES AND FOR IMPROVING OUR CURRENT STOCK. THAT IS A VERY SIGNIFICANT FINANCIAL COMMITMENT AND ONE THAT MEANS A LOT TO DEFENCE FAMILIES.

THE REALITY HAS FAR EXCEEDED THE PROMISE. \$73M WAS EARLIER PROVIDED FOR CAPITAL EXPENDITURE ON HOUSING THIS FINANCIAL YEAR. AN ADDITIONAL \$46M FOR THE AUTHORITY HAS JUST BEEN ANNOUNCED, \$10M OF WHICH IS FOR ESSENTIAL IMPROVEMENTS SUCH AS SECURITY LOCKS, THE EXTRA \$36M IS FOR SPOT PURCHASING OF HOUSES AND LAND FOR DEFENCE FAMILIES WHERE THE NEED IS GREATEST. THIS BRINGS TO \$119M THE FUNDS COMMITTED TO IMPROVED DEFENCE HOUSING THIS FINANCIAL YEAR.

INCLUDING THE MEASURES IMPLEMENTED IN RESPONSE TO THE HAMILTON REPORT, ANNUAL DEFENCE EXPENDITURE WHICH CONTRIBUTES TO SUPPORTING SERVICE FAMILIES TOTALS SOME \$193M. THAT IS OVER \$5,000 PER YEAR FOR EACH MARRIED MEMBER OF THE ADF.

BUT THE BENEFITS OF WHAT WE HAVE DONE ARE MORE THAN MERELY ECONOMIC. THE REAL BENEFITS LIE IN THE PROCESS OF COMMUNICATION THAT WE HAVE MADE POSSIBLE, AND IN THE UNDERSTANDING AND FLEXIBILITY OF ADMINISTRATION WHICH FOLLOWS.

THE FLOW OF INFORMATION BETWEEN FAMILIES AND HEADQUARTERS IS GUARANTEED, AND GUARANTEED TO FLOW BOTH WAYS. SPOUSES ARE REPRESENTED AT THE CENTRE, WHERE POLICY IS DECIDED, AND THEY ARE SUPPORTED LOCALLY WHEN THEY NEED INFORMATION AND HELP. COMMANDING OFFICERS ON BASES ARE INVOLVED, AND THEIR SUPPORT IS CRUCIAL.

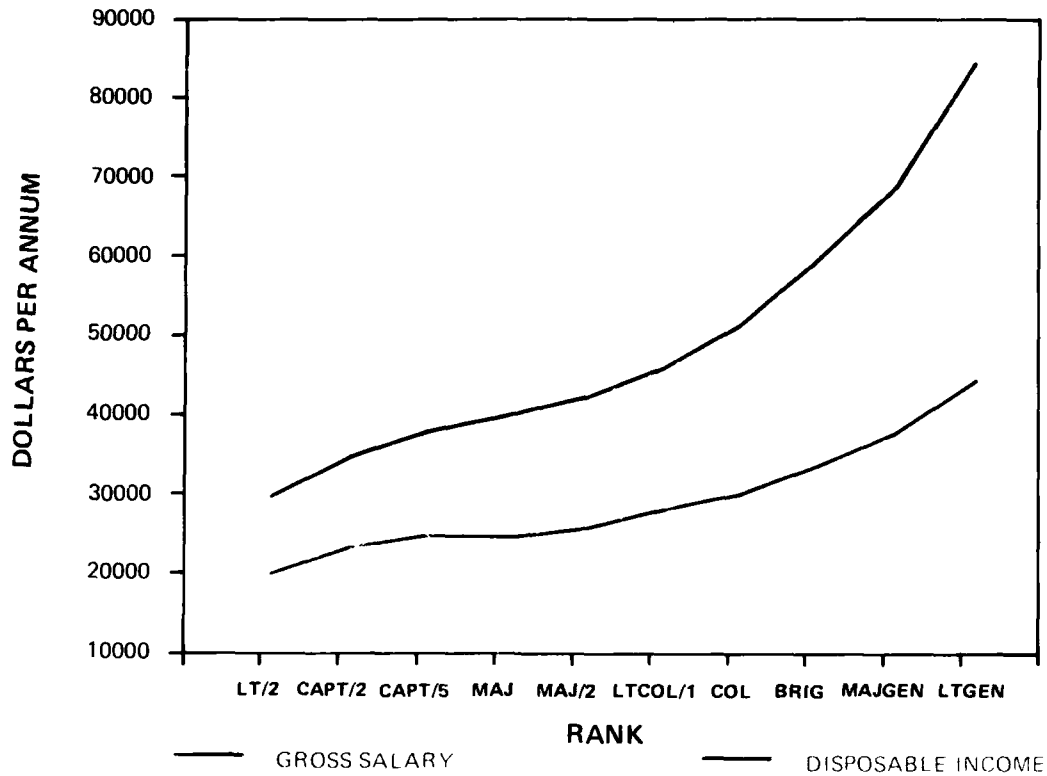
THE RESULT IS A VASTLY IMPROVED SYSTEM OF RECIPROCAL COMMUNICATION. THAT IS THE IMPROVEMENT WE HAVE MADE THAT FORMS THE BASIS FOR ALL OTHER IMPROVEMENTS, BOTH NOW AND IN THE FUTURE.

IN THREE YEARS WE HAVE ADDRESSED PROBLEMS THAT HAVE BEEN BUILDING UP AND FESTERING FOR DECADES. IT IS A RECORD OF INITIATIVE AND ACHIEVEMENT THAT WE CAN BE VERY PROUD OF. IT IS UNSHAKEABLE EVIDENCE THAT THIS GOVERNMENT CARES ABOUT THE PEOPLE WHOSE WORK IT IS TO DEFEND THIS COUNTRY, AND THEIR FAMILIES.

COMPARISON OF GROSS SALARY AND DISPOSABLE
INCOME AS AT APRIL 1988

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GRAPH C-1
**COMPARISON OF
 GROSS SALARY AND DISPOSABLE INCOME**
 ADF OFFICERS



GRAPH C-2
**COMPARISON OF
 GROSS SALARY AND DISPOSABLE INCOME**
 PUBLIC SERVICE OFFICERS

